

The Bike Club Limited

Unaudited Financial Statements

Period Ended

31 March 2021

Company Number 10098146

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COMPANIES HOUSE

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
D J Mowat
A H Shukla

Company secretary

J D Symes

Registered number

10098146

Registered office

Uncommon 126 New Kings Road
Fulham
London
SW64LZ

Accountants

BDO LLP
55 Baker Street
London
W1U 7EU

The Bike Club Limited

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The Bike Club Limited

Registered number: 10098146

Statement of Financial Position as at 31 March 2021

	Note	31 March 2021 £	30 April 2020 £
Fixed assets			
Intangible assets	5	142,190	42,715
Tangible assets	6	5,029,759	2,597,942
		<u>5,171,949</u>	<u>2,640,657</u>
Current assets			
Stocks		8,892	425
Debtors	7	2,452,414	113,522
Cash and cash equivalents		618,922	308,624
		<u>3,080,228</u>	<u>422,571</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(7,139,293)	(712,127)
Net current liabilities		<u>(4,059,065)</u>	<u>(289,556)</u>
Total assets less current liabilities		<u>1,112,884</u>	<u>2,351,101</u>
Creditors: amounts falling due after more than one year	9	(1,150,651)	(1,113,997)
Net (liabilities)/assets		<u>(37,767)</u>	<u>1,237,104</u>
Capital and reserves			
Share capital	11	191	191
Share premium account	12	1,413,832	1,413,832
Profit and loss account	12	(1,451,790)	(176,919)
Total equity		<u>(37,767)</u>	<u>1,237,104</u>

The Bike Club Limited

Registered number: 10098146

Statement of Financial Position (continued) as at 31 March 2021

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 period in question in accordance with section 476 of the Companies Act 2006.

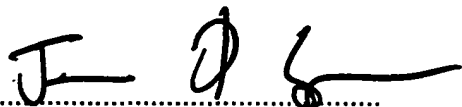
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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: 8 / 6 / 2022

The notes on pages 3 to 14 form part of these financial statements.

The Bike Club Limited

Notes to the Financial Statements for the Period Ended 31 March 2021

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.

The Bike Club Limited

Notes to the Financial Statements for the Period Ended 31 March 2021

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.4 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.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

The Bike Club Limited

Notes to the Financial Statements for the Period Ended 31 March 2021

2. Accounting policies (continued)

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.7 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 the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 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.

2.9 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.10 Finance costs

Finance costs are charged to the statement of comprehensive income 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.

2.11 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

The Bike Club Limited

Notes to the Financial Statements for the Period Ended 31 March 2021

2. Accounting policies (continued)

2.12 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 the statement of comprehensive income 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.

2.13 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income 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.

The Bike Club Limited

Notes to the Financial Statements for the Period Ended 31 March 2021

2. Accounting policies (continued)

2.14 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
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2.15 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
Warehouse	-	20% straight line
Office equipment	-	25% straight line
Computer equipment	-	25% straight line
Fleet	-	20% reducing balance / over the lease term

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

The Bike Club Limited

Notes to the Financial Statements for the Period Ended 31 March 2021

2. Accounting policies (continued)

2.16 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 the statement of comprehensive income.

2.17 Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

2.18 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.

2.19 Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

2.20 Convertible debt

Convertible debt meeting the definition of a non-basic financial liability is recognised initially at its fair value, and subsequently held at fair value through profit or loss.

The Bike Club Limited

Notes to the Financial Statements for the Period Ended 31 March 2021

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.

Convertible loan notes

The most critical estimates and assumptions for convertible loan notes relate to the determination of fair value. In determining this amount, the company applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology. The fair value is valued using a revenue multiple methodology.

4. Employees

The average monthly number of employees, including directors, during the period was 30 (2020 - 11).

The Bike Club Limited

Notes to the Financial Statements for the Period Ended 31 March 2021

5. Intangible assets

	Website £
Cost	
At 1 May 2020	49,038
Additions	118,469
At 31 March 2021	<u>167,507</u>
Amortisation	
At 1 May 2020	6,323
Charge for the period	18,994
At 31 March 2021	<u>25,317</u>
Net book value	
At 31 March 2021	<u><u>142,190</u></u>
At 30 April 2020	<u><u>42,715</u></u>

The Bike Club Limited

Notes to the Financial Statements for the Period Ended 31 March 2021

6. Tangible fixed assets

	Plant and machinery £	Warehouse £	Office equipment £	Computer equipment £	Fleet £	Total £
Cost or valuation						
At 1 May 2020	33,714	-	-	23,260	3,044,348	3,101,322
Additions	35,959	35,876	7,382	24,149	3,360,250	3,463,616
Disposals	-	-	-	-	(166,527)	(166,527)
At 31 March 2021	<u>69,673</u>	<u>35,876</u>	<u>7,382</u>	<u>47,409</u>	<u>6,238,071</u>	<u>6,398,411</u>
Depreciation						
At 1 May 2020	1,369	-	-	8,009	494,002	503,380
Charge for the period on owned assets	12,000	3,331	1,177	5,118	779,861	801,487
Charge for the period on financed assets	-	-	-	-	230,312	230,312
Disposals	-	-	-	-	(166,527)	(166,527)
At 31 March 2021	<u>13,369</u>	<u>3,331</u>	<u>1,177</u>	<u>13,127</u>	<u>1,337,648</u>	<u>1,368,652</u>
Net book value						
At 31 March 2021	<u>56,304</u>	<u>32,545</u>	<u>6,205</u>	<u>34,282</u>	<u>4,900,423</u>	<u>5,029,759</u>
At 30 April 2020	<u>32,345</u>	<u>-</u>	<u>-</u>	<u>15,251</u>	<u>2,550,346</u>	<u>2,597,942</u>

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

	31 March 2021 £	30 April 2020 £
Fleet	<u>1,012,438</u>	<u>1,242,750</u>

The Bike Club Limited

Notes to the Financial Statements for the Period Ended 31 March 2021

7. Debtors

	31 March 2021 £	30 April 2020 £
Trade debtors	165,555	10,326
Other debtors	1,456,835	52,014
Prepayments and accrued income	408,002	6,830
Deferred taxation	422,022	44,352
	<u>2,452,414</u>	<u>113,522</u>

8. Creditors: amounts falling due within one year

	31 March 2021 £	30 April 2020 £
Convertible loan notes	5,769,773	-
Bank loans	2,500	75,542
Other loans	112,448	-
Trade creditors	446,092	87,564
Other taxation and social security	34,842	22,826
Finance leases	475,732	414,181
Other creditors	207,791	102,950
Accruals and deferred income	90,115	9,064
	<u>7,139,293</u>	<u>712,127</u>

The prior year bank loan was 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. That loan was repaid in full during the period.

On 27 August 2020 the company issued convertible loan notes of £5,700,000. These are measured at fair value through profit or loss. The loan notes are convertible at any time up to the redemption date of 31 July 2022. The loan notes accrue interest at 8%, payable quarterly.

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

The Bike Club Limited

Notes to the Financial Statements for the Period Ended 31 March 2021

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

	31 March 2021 £	30 April 2020 £
Bank loans	47,500	275,971
Other loans	105,778	-
Finance leases	346,373	785,026
Other creditors	-	53,000
Shareholders loan	651,000	-
	<u>1,150,651</u>	<u>1,113,997</u>

The prior year bank loan was 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. That loan was repaid in full during the period.

In June 2020, the company took a variable rate, unsecured shareholder loan, accruing interest at 12% per annum until June 2023 and 15% per annum from June 2023 to June 2025. This is due for repayment between June 2023 and June 2025.

On 19 November 2020, the company took a working capital loan of £250,000 from Aurora Leasing Limited. The loan is repayable in 27 monthly instalments accrues interest at 15.58%.

On 21 January 2021, the company took a loan of £50,000 from HSBC, as part of the Bounce Back Loan Scheme (BBLs). The loan is repayable in monthly instalments starting in January 2022, until December 2026 and accrues interest at 2.5% per annum. The first 12 months of interest payments are covered by the UK Government's Business Interruption Payment. A total of £7,500 is due to be paid in more than five years.

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

10. Finance leases

Minimum lease payments under finance leases fall due as follows:

	31 March 2021 £	30 April 2020 £
Within one year	475,732	414,181
Between 1-5 years	346,373	785,026
	<u>822,105</u>	<u>1,199,207</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.

The Bike Club Limited

Notes to the Financial Statements for the Period Ended 31 March 2021

11. Share capital

	31 March 2021 £	30 April 2020 £
Allotted, called up and fully paid		
11,361,038 Ordinary shares of £0.00001 each	114	114
7,710,000 B Ordinary shares of £0.00001 each	77	77
	<u>191</u>	<u>191</u>

12. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

13. 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 £5,706 (year ended 30 April 2020 - £1,204). Contributions totalling £2,188 (2020 - £522) were payable to the fund at the reporting date and are included in creditors.

14. Related party transactions

At 30 April 2020, other creditors due within one year included loans made the company by the directors of £53,191. During the period, advances were made to the company totalling £18,000, and repayments and expenses paid by the company on behalf of the directors totalled £74,619. As at the period end the directors owed the company £3,428. The loans are interest free and have no fixed date for repayment.

Two of the directors have guaranteed the company's bank borrowings up to £250,000.

15. Post balance sheet events

In April 2022, as part of a series B fundraising round, £16m of equity capital was raised and the convertible loan note was converted into 16,695,598 shares.