

Companies House

Registration Number 00535530

**THUNDER ROAD MOTORCYCLES LIMITED**

**Directors' Report And Financial Statements**

**For The Year Ended 31 December 2014**

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# THUNDER ROAD MOTORCYCLES LIMITED

## Company Information

Directors	P. Smith D.P. Smith I.D. Mobberley
Secretary	D.P. Smith
Company Number	00535530
Registered Office	Tremains Road Bridgend South Wales CF31 1UA
Auditors	Clifton House Partnership Clifton House Four Elms Road Cardiff CF24 1LE
Bankers	HSBC Bank Plc 51, John Street Porthcawl Mid Glamorgan CF36 3AU
Solicitors	Messrs David & Snape Wyndham House Wyndham Street Bridgend South Wales, CF31 1EP

# THUNDER ROAD MOTORCYCLES LIMITED

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**THUNDER ROAD MOTORCYCLES LIMITED**

**Strategic Report  
For The Year Ended 31 December 2014**

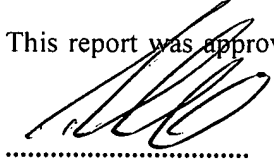
**Business Review**

The motorcycle market has finally turned the corner after the prolonged recession, along with consumer spending in general, and this has allowed the company to enjoy a 9% increase in turnover, whilst maintaining a 17% gross profit margin.. The majority of the increase in overheads relates to wages, which are up by some 11%. This is the result of a combination of pay rises, which have been avoided during the previous leaner years, and some increase in the headcount, necessary due to the higher levels of activity.

**Risks and uncertainties**

In recent years demand for motorcycles has been affected by the generally weak state of the economy, new, more restrictive rider licensing laws, which reduce the incentive for new riders to enter the market, and the rise in online sales of motorcycle parts, accessories and clothing, which also results in shop margins being squeezed. Poor weather, particularly in the summer, reduces motorcycle usage and, by extension, demand for after-sales services.

This report was approved by the Board on ..... *27/05/2015* ..... and signed on its behalf



.....  
**D.P. Smith**  
**Secretary**

# THUNDER ROAD MOTORCYCLES LIMITED

## Directors' Report For The Year Ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

### Principal activity and review of the business

The principal activity of the company continued to be that of retailing and servicing of motor cycles and accessories.

### Results and dividends

The Profit for the year, after taxation, amounted to £172,115. Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

### Financial risk management objectives and policies

The directors continually review progress and financial well-being by virtue of monthly management accounts. Cash flow is also monitored daily as a vital tool in the business decision-making process.

### Future developments

The directors feel that now is the ideal time to expand further, and to that end intend acquiring a third branch in the spring of 2015.

### Directors

The directors who served during the year are as stated below:

P. Smith

D.P. Smith

I.D. Mobberley

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

In preparing these financial statements, the directors are required to:

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

**THUNDER ROAD MOTORCYCLES LIMITED**

**Directors' Report  
For The Year Ended 31 December 2014**

..... continued

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

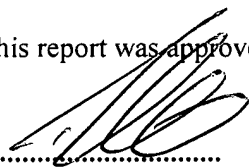
**Strategic Report**

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the directors have set out the information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in the company's Strategic Report on page 1. This includes information that would have been included in the business review and the principal risks and uncertainties.

**Auditors**

Clifton House Partnership are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on..... 27/05/2015 ..... and signed on its behalf by

  
.....

**D.P. Smith**  
**Secretary**

**Independent Auditor's Report to the Shareholders of  
THUNDER ROAD MOTORCYCLES LIMITED**

We have audited the financial statements of THUNDER ROAD MOTORCYCLES LIMITED for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2 - 3, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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. In addition, we read all the financial and non-financial information in the Directors' report and financial statements 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.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

*(continued)*

**Independent Auditor's Report to the Shareholders of  
THUNDER ROAD MOTORCYCLES LIMITED**

.....continued

**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.

Notwithstanding our adverse opinion on the financial statements, 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Philip Bolton*  
.....

**Philip Bolton FCA (Senior Statutory Auditor)  
For and on behalf of Clifton House Partnership  
Chartered Accountants and  
Statutory Auditors  
Clifton House  
Four Elms Road  
Cardiff  
CF24 1LE**

Date: 29 May 2015.



**THUNDER ROAD MOTORCYCLES LIMITED**

**Profit And Loss Account  
For The Year Ended 31 December 2014**

		<b>Continuing Operations</b>	
		<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Notes</b>		
<b>Turnover</b>	<b>2</b>	8,268,396	7,515,876
Cost of sales		(6,837,233)	(6,205,179)
<b>Gross profit</b>		1,431,163	1,310,697
Distribution costs		(749,776)	(664,258)
Administrative expenses		(665,643)	(610,477)
Other operating income		207,516	194,497
<b>Operating profit</b>	<b>3</b>	223,260	230,459
Interest payable and similar charges	<b>5</b>	(3,808)	(4,275)
<b>Profit on ordinary activities before taxation</b>		219,452	226,184
Tax on profit on ordinary activities	<b>7</b>	(47,337)	(47,883)
<b>Profit for the year</b>	<b>18</b>	172,115	178,301
Retained profit brought forward		1,776,531	1,652,230
Reserve movements	<b>8</b>	(54,000)	(54,000)
<b>Retained profit carried forward</b>		1,894,646	1,776,531

There are no recognised gains or losses other than the profit or loss for the above two financial years.

**The notes on pages 9 to 18 form an integral part of these financial statements.**

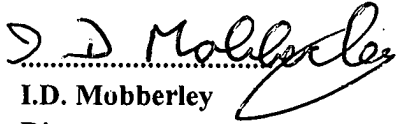
**THUNDER ROAD MOTORCYCLES LIMITED**

**Balance Sheet  
As At 31 December 2014**

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		1,009,683		1,014,194
Investments	10		82,265		80,115
			<u>1,091,948</u>		<u>1,094,309</u>
<b>Current assets</b>					
Stocks	11	1,581,241		1,404,323	
Debtors	12	92,224		78,696	
Cash at bank and in hand		39,729		100,453	
		<u>1,713,194</u>		<u>1,583,472</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(620,997)</u>		<u>(632,081)</u>	
<b>Net current assets</b>			<u>1,092,197</u>		<u>951,391</u>
<b>Total assets less current liabilities</b>			2,184,145		2,045,700
<b>Creditors: amounts falling due after more than one year</b>	14		(29,926)		(30,567)
<b>Provisions for liabilities</b>	15		<u>(198,965)</u>		<u>(177,994)</u>
<b>Net assets</b>			<u><u>1,955,254</u></u>		<u><u>1,837,139</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		5,000		5,000
Revaluation reserve	18		55,608		55,608
Profit and loss account	18		<u>1,894,646</u>		<u>1,776,531</u>
<b>Shareholders' funds</b>	19		<u><u>1,955,254</u></u>		<u><u>1,837,139</u></u>

These accounts were approved by the directors on 21/05/15, and are signed on their behalf by:

  
.....  
**D.P. Smith**  
Director

  
.....  
**I.D. Mobberley**  
Director

Registration Number 00535530

The notes on pages 9 to 18 form an integral part of these financial statements.

**THUNDER ROAD MOTORCYCLES LIMITED**

**Cash Flow Statement  
For The Year Ended 31 December 2014**

	Notes	2014 £	2013 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		223,260	230,459
Depreciation		46,669	39,949
(Increase) in stocks		(176,918)	235,129
(Increase) in debtors		(13,528)	16,814
Increase in creditors		14,353	(277,950)
Increase in provisions		16,911	11,715
<b>Net cash inflow from operating activities</b>		<u>110,747</u>	<u>256,116</u>
 <b>Cash flow statement</b>			
Net cash inflow from operating activities		110,747	256,116
Returns on investments and servicing of finance	24	(3,808)	(4,275)
Taxation	24	(45,972)	(20,309)
Capital expenditure and financial investment	24	(11,248)	(58,557)
		<u>49,719</u>	<u>172,975</u>
Equity dividends paid		(54,000)	(54,000)
		<u>(4,281)</u>	<u>118,975</u>
Financing	24	(56,444)	(76,918)
<b>Decrease in cash in the year</b>		<u>(60,725)</u>	<u>42,057</u>
 <b>Reconciliation of net cash flow to movement in net debt (Note 25)</b>			
<b>Decrease in cash in the year</b>		(60,725)	42,057
Cash inflow from increase in debts and lease financing		56,444	76,918
		<u>(4,281)</u>	<u>118,975</u>
Change in net debt resulting from cash flows		(4,281)	118,975
New finance leases and hire purchase contracts		(33,060)	(42,422)
<b>Movement in net debt in the year</b>		<u>(37,341)</u>	<u>76,553</u>
<b>Net funds at 1 January 2014</b>		<u>24,463</u>	<u>(52,090)</u>
<b>Net debt at 31 December 2014</b>		<u>(12,878)</u>	<u>24,463</u>

## THUNDER ROAD MOTORCYCLES LIMITED

### Notes To The Financial Statements For The Year Ended 31 December 2014

#### 1. Accounting policies

##### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards of the Accounting Standards Board.

##### 1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### 1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Fixtures and equipment	-	10% (Computer system 25%) Reducing balance
Motor vehicles	-	25% Reducing balance

The company's freehold property is held for long-term investment, and is included in the balance sheet at its open market value. Any surplus or deficit on revaluation of this property is transferred to the investment property revaluation reserve. In accordance with statement of Standard Accounting Practice No 19, depreciation is not provided in respect of this property. The directors acknowledge that this policy runs contrary to the provisions of the Companies Act 2006, but are of the opinion that such a departure is necessary in order for the financial statements to show a true and fair view.

##### 1.4. Prepaid Service Plans

10% of the value of such sales are taken as profit in the year of sale. The balance is carried forward in provisions to set against the cost of providing services over the term of the agreements.

##### 1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### 1.6. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

##### 1.7. Stock

Stock is valued at the lower of cost and net realisable value.

# THUNDER ROAD MOTORCYCLES LIMITED

## Notes To The Financial Statements For The Year Ended 31 December 2014

..... continued

### 1.8. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

### 3. Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation		
- written off owned tangible fixed assets	30,201	33,163
- written off tangible fixed assets on hire purchase/finance lease	16,653	5,204
Loss on disposal of tangible fixed assets	-	1,582
Operating lease rentals		
- Plant and machinery	7,805	9,160
- Land and buildings	85,537	82,052
Auditors' remuneration (Note 4)	5,750	5,500
Auditors' remuneration from non-audit work (Note 4)	1,235	1,480
	<u>          </u>	<u>          </u>
and after crediting:		
Profit on disposal of tangible fixed assets	185	-
	<u>          </u>	<u>          </u>

**THUNDER ROAD MOTORCYCLES LIMITED**

**Notes To The Financial Statements  
For The Year Ended 31 December 2014**

..... continued

**4. Auditors' remuneration**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration - audit of the financial statements	5,750	5,500
	<u>          </u>	<u>          </u>
Auditors' remuneration - other fees:		
- Accountancy and taxation services	1,235	1,480
	<u>          </u>	<u>          </u>

**5. Interest payable and similar charges**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest	(30)	476
Other loan interest	2,562	3,222
Hire purchase interest	1,276	577
	<u>          </u>	<u>          </u>
	<u>3,808</u>	<u>4,275</u>

**6. Employees**

<b>Number of employees</b>	<b>2014</b>	<b>2013</b>
The average monthly numbers of employees (including the directors) during the year were:		
Workshop	18	18
Sales and stores	28	26
Administration and cafeteria	13	13
	<u>          </u>	<u>          </u>
	<u>59</u>	<u>57</u>

**Employment costs**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,091,293	982,993
Social security costs	89,479	82,046
	<u>          </u>	<u>          </u>
	<u>1,180,772</u>	<u>1,065,039</u>

**6.1. Directors' remuneration**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	16,366	12,842
	<u>          </u>	<u>          </u>

**THUNDER ROAD MOTORCYCLES LIMITED**

**Notes To The Financial Statements  
For The Year Ended 31 December 2014**

..... continued

**7. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax at 20.00% (2013 - 20.00%)	43,277	45,942
<b>Deferred tax</b>		
Timing differences, origination and reversal	4,060	1,941
<b>Tax on profit on ordinary activities</b>	<u>47,337</u>	<u>47,883</u>

**Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (20.00 per cent). The differences are explained below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>219,452</u>	<u>226,184</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (31 December 2013 : 20.00%)	43,890	45,237
<b>Effects of:</b>		
Expenses not deductible for tax purposes	202	414
Capital allowances for period in excess of depreciation	(815)	291
<b>Current tax charge for period</b>	<u>43,277</u>	<u>45,942</u>

**8. Dividends**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Paid during the year:		
Equity dividends on Ordinary shares	<u>54,000</u>	<u>54,000</u>

**THUNDER ROAD MOTORCYCLES LIMITED**

**Notes To The Financial Statements  
For The Year Ended 31 December 2014**

..... continued

9. Tangible fixed assets	Freehold investment property £	Leasehold trading property £	Fixtures & equipment £	Motor vehicles £	Total £
<b>Cost/revaluation</b>					
At 1 January 2014	175,000	815,302	297,815	75,050	1,363,167
Additions	-	-	19,408	27,550	46,958
Disposals	-	-	-	(21,603)	(21,603)
At 31 December 2014	<u>175,000</u>	<u>815,302</u>	<u>317,223</u>	<u>80,997</u>	<u>1,388,522</u>
<b>Depreciation</b>					
At 1 January 2014	-	151,958	175,243	21,772	348,973
On disposals	-	-	-	(16,988)	(16,988)
Charge for the year	-	16,306	13,475	17,073	46,854
At 31 December 2014	<u>-</u>	<u>168,264</u>	<u>188,718</u>	<u>21,857</u>	<u>378,839</u>
<b>Net book values</b>					
At 31 December 2014	<u>175,000</u>	<u>647,038</u>	<u>128,505</u>	<u>59,140</u>	<u>1,009,683</u>
At 31 December 2013	<u>175,000</u>	<u>663,344</u>	<u>122,572</u>	<u>53,278</u>	<u>1,014,194</u>

In the opinion of the directors, there was no significant movement in the market value of the company's freehold investment property during the year. The original cost of this property was £119,392.

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2014		2013	
	Net book value	Depreciation charge	Net book value	Depreciation charge
	£	£	£	£
Motor vehicles	<u>59,140</u>	<u>16,653</u>	<u>48,243</u>	<u>5,204</u>

10. Fixed asset investments	Classic motorcycle collection £
<b>Cost</b>	
At 1 January 2014	80,115
Additions	3,450
Disposals	(1,300)
At 31 December 2014	<u>82,265</u>



**THUNDER ROAD MOTORCYCLES LIMITED**

**Notes To The Financial Statements  
For The Year Ended 31 December 2014**

..... continued

<b>11. Stocks</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	1,962,399	1,899,481
Less: Consignment loans	(381,158)	(495,158)
	<u>1,581,241</u>	<u>1,404,323</u>
<b>12. Debtors</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	35,658	34,728
Other debtors	56,566	43,968
	<u>92,224</u>	<u>78,696</u>
<b>13. Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans	-	4,933
Pension fund loan	2,479	29,355
Net obligations under finance leases and hire purchase contracts	20,202	11,135
Trade creditors	138,270	113,392
Amounts owed to connected companies	200,000	296,200
Corporation tax	43,261	45,956
Other taxes and social security costs	69,886	47,794
Directors' accounts	14,575	14,575
Other creditors	132,324	68,741
	<u>620,997</u>	<u>632,081</u>

Bank borrowings are secured by a mortgage on the company's leasehold trading property, a fixed charge over book debts and a floating charge over all other assets.

**THUNDER ROAD MOTORCYCLES LIMITED**

**Notes To The Financial Statements  
For The Year Ended 31 December 2014**

..... continued

<b>14. Creditors: amounts falling due after more than one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Pension fund loan	-	2,479
Net obligations under finance leases and hire purchase contracts	29,926	28,088
	<u>29,926</u>	<u>30,567</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 13)	2,479	34,288
Repayable between one and two years	-	2,479
	<u>2,479</u>	<u>36,767</u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	20,202	11,135
Repayable between one and five years	29,926	28,088
	<u>50,128</u>	<u>39,223</u>

**15. Provisions for liabilities**

	<b>Deferred taxation (Note 16) £</b>	<b>Other provisions £</b>	<b>Total £</b>
At 1 January 2014	26,788	151,206	177,994
Charge for the year		139,881	139,881
Utilised in the year		(122,970)	(122,970)
Movements in the year	4,060		4,060
At 31 December 2014	<u>30,848</u>	<u>168,117</u>	<u>198,965</u>

Other provisions comprise the directors' estimate of the cost of the service work to be carried out over the remaining term of ongoing Prepaid Service Plan agreements.

**THUNDER ROAD MOTORCYCLES LIMITED**

**Notes To The Financial Statements  
For The Year Ended 31 December 2014**

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<b>16. Provision for deferred taxation</b>		<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
Accelerated capital allowances		30,848	26,788
		<u>          </u>	<u>          </u>
Provision at 1 January 2014		26,788	
Deferred tax charge in profit and loss account		4,060	
		<u>          </u>	
Provision at 31 December 2014		<u>30,848</u>	
		<u>          </u>	
<b>17. Share capital</b>		<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid (Equity shares)</b>			
5,000 Ordinary shares of £1 each		5,000	5,000
		<u>          </u>	<u>          </u>
<b>18. Equity Reserves</b>	<b>Revaluation</b>	<b>Profit</b>	
	<b>reserve</b>	<b>and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
<b>At 1 January 2014</b>	55,608	1,776,531	1,832,139
Profit for the year		172,115	172,115
Equity dividends		(54,000)	(54,000)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 December 2014</b>	<u>55,608</u>	<u>1,894,646</u>	<u>1,950,254</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>19. Reconciliation of movements in shareholders' funds</b>		<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
Profit for the year		172,115	178,301
Dividends		(54,000)	(54,000)
		<u>          </u>	<u>          </u>
Opening shareholders' funds		118,115	124,301
		<u>          </u>	<u>          </u>
Closing shareholders' funds		<u>1,837,139</u>	<u>1,712,838</u>
		<u>          </u>	<u>          </u>
		<u>1,955,254</u>	<u>1,837,139</u>
		<u>          </u>	<u>          </u>

# THUNDER ROAD MOTORCYCLES LIMITED

## Notes To The Financial Statements For The Year Ended 31 December 2014

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### 20. Financial commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
<b>Expiry date:</b>				
Within one year	6,000	6,000	2,190	-
Between one and five years	40,000	45,000	5,123	8,041
In over five years	30,000	30,000	-	-
	<u>76,000</u>	<u>81,000</u>	<u>7,313</u>	<u>8,041</u>

### 21. Transactions with directors

Dividends of £27,000 each were paid to Mr D.P. Smith and Mr I.D. Mobberley, directors of the company, during the year.

### 22. Related party transactions

During the year, loan interest of £2,101 and a commercial rent of £30,000 in respect of the company's trading premises at Tremains Road, Bridgend, was paid to Peter Smith (Bridgend) Ltd, and management charges totalling £35,505 were paid to Peter Smith (Bridgend) Holdings Ltd. Directors P. Smith and D.P. Smith are also directors of both of these companies. Also paid was further loan interest of £461 to the Peter Smith (Bridgend) Holdings Ltd Pension Scheme, and rent of £6,000 in respect of land owned by the Peter Smith Family Trust. These schemes are set up respectively for the benefit of the directors and their families and for the grandchildren of the director P. Smith. At 31 December 2014 the balances remaining on the loans from Peter Smith (Bridgend) Ltd and the pension scheme were £200,000 and £2,479 respectively.

### 23. Controlling interest

The company is controlled by directors Mr D.P. Smith and Mr I.D. Mobberley, who each hold 50% of the issued share capital.

**THUNDER ROAD MOTORCYCLES LIMITED**

**Notes To The Financial Statements  
For The Year Ended 31 December 2014**

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**24. Gross cash flows**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest paid	(3,808)	(4,275)
	<u>(3,808)</u>	<u>(4,275)</u>
<b>Taxation</b>		
Corporation tax paid	(45,972)	(20,309)
	<u>(45,972)</u>	<u>(20,309)</u>
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible assets	(13,898)	(19,398)
Payments to acquire investments	(3,450)	(43,659)
Receipts from sales of tangible assets	4,800	4,000
Receipts from sales of investments	1,300	500
	<u>(11,248)</u>	<u>(58,557)</u>
<b>Financing</b>		
Repayment of short term bank loan	(4,934)	(45,088)
Repayment of other short term loans	(29,355)	(28,631)
Capital element of finance leases and hire purchase contracts	(22,155)	(3,199)
	<u>(56,444)</u>	<u>(76,918)</u>

**25. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	100,453	(60,725)		39,728
Debt due within one year	(34,288)	34,289	(2,479)	(2,478)
Debt due after one year	(2,479)	-	2,479	-
Finance leases and hire purchase contracts	(39,223)	22,155	(33,060)	(50,128)
	<u>(75,990)</u>	<u>56,444</u>	<u>(33,060)</u>	<u>(52,606)</u>
<b>Net funds</b>	<u>24,463</u>	<u>(4,281)</u>	<u>(33,060)</u>	<u>(12,878)</u>