

Registration number: 02024839

# Motion Finance Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2021



Fruition Accountants LLP  
29 Wood Street  
Stratford upon Avon  
Warwickshire  
CV37 6JG

# **Motion Finance Limited**

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## **Motion Finance Limited**

### **Company Information**

<b>Directors</b>	Mr Richard Gibbs Mr Angus Mackie Mr John Park-Davies
<b>Registered office</b>	Yardley Brook Ind. Park Lea Ford Road Shard End Birmingham B33 9TX
<b>Auditors</b>	Fruition Accountants LLP 29 Wood Street Stratford upon Avon Warwickshire CV37 6JG

# Motion Finance Limited

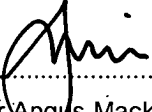
(Registration number: 02024839)  
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	3	3,488,322	3,352,799
Investments	4	<u>2</u>	<u>2</u>
		<u>3,488,324</u>	<u>3,352,801</u>
<b>Current assets</b>			
Debtors	5	172,547	204,301
Cash at bank and in hand		<u>416,757</u>	<u>18,230</u>
		589,304	222,531
<b>Creditors: Amounts falling due within one year</b>	6	<u>(1,590,609)</u>	<u>(976,341)</u>
<b>Net current liabilities</b>		<u>(1,001,305)</u>	<u>(753,810)</u>
<b>Total assets less current liabilities</b>		2,487,019	2,598,991
<b>Creditors: Amounts falling due after more than one year</b>	6	(216,652)	(310,974)
<b>Provisions for liabilities</b>		<u>(307,230)</u>	<u>(285,321)</u>
<b>Net assets</b>		<u>1,963,137</u>	<u>2,002,696</u>
<b>Capital and reserves</b>			
Called up share capital	7	140,000	140,000
Revaluation reserve		1,255,817	1,268,750
Profit and loss account		<u>567,320</u>	<u>593,946</u>
Shareholders' funds		<u>1,963,137</u>	<u>2,002,696</u>

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 23 July 2021 and signed on its behalf by:

  
 .....  
 Mr Angus Mackie  
 Director

The notes on pages 3 to 10 form an integral part of these financial statements.

## **Motion Finance Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 General information**

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

The address of its registered office is:

Yardley Brook Ind. Park

Lea Ford Road

Shard End

Birmingham

B33 9TX

These financial statements were authorised for issue by the Board on 23 July 2021.

#### **2 Accounting policies**

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

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

##### **Statement of compliance**

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

##### **Basis of preparation**

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

##### **Audit report**

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 23 July 2021 was Michelle Vincent, who signed for and on behalf of Fruition Accountants LLP.

##### **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 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.

## **Motion Finance Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

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, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

#### **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.

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold property	Over the length of the lease
Plant and machinery	10 - 20% straight line

#### **Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

#### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **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.

## **Motion Finance Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **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.

#### **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.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **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.

## Motion Finance Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 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.

#### 3 Tangible assets

	Long leasehold land and buildings £	Plant and machinery £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	2,350,000	3,800,359	6,150,359
Additions	43,470	301,205	344,675
Disposals	-	(3,500)	(3,500)
At 31 March 2021	<u>2,393,470</u>	<u>4,098,064</u>	<u>6,491,534</u>
<b>Depreciation</b>			
At 1 April 2020	5,995	2,791,565	2,797,560
Charge for the year	23,979	185,173	209,152
Eliminated on disposal	-	(3,500)	(3,500)
At 31 March 2021	<u>29,974</u>	<u>2,973,238</u>	<u>3,003,212</u>
<b>Carrying amount</b>			
At 31 March 2021	<u>2,363,496</u>	<u>1,124,826</u>	<u>3,488,322</u>
At 31 March 2020	<u>2,344,005</u>	<u>1,008,794</u>	<u>3,352,799</u>

Included within the net book value of land and buildings above is £2,363,495 (2020 - £2,344,005) in respect of long leasehold land and buildings.

#### Revaluation

The fair value of the company's long leasehold land and buildings was revalued on 7 January 2020 by an independent valuer. The name and qualification of the independent valuer are N Olds Msc MRICS on behalf of Lambert Smith Hampton.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £906,351 (2020 - £971,398).

#### 4 Investments

	2021 £	2020 £
Investments in subsidiaries	<u>2</u>	<u>2</u>



## Motion Finance Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

<b>Subsidiaries</b>	<b>£</b>
<b>Cost or valuation</b>	
At 1 April 2020	<u>2</u>
<b>Provision</b>	
<b>Carrying amount</b>	
At 31 March 2021	<u>2</u>
At 31 March 2020	<u>2</u>

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Vertik-AI Limited	England & Wales	Ordinary	100%	100%

#### Subsidiary undertakings

##### *Vertik-AI Limited*

The principal activity of Vertik-AI Limited is powder coaters and metal finishers..

#### 5 Debtors

	Note	2021	2020
		£	£
Amounts owed by group undertakings and undertakings in which the company has a participating interest	12	171,744	163,051
Other debtors		<u>803</u>	<u>41,250</u>
		<u>172,547</u>	<u>204,301</u>

## Motion Finance Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 6 Creditors

##### Creditors: amounts falling due within one year

	Note	2021 £	2020 £
<b>Due within one year</b>			
Loans and borrowings	9	117,706	111,606
Amounts owed to group undertakings and undertakings in which the company has a participating interest	12	1,471,903	863,735
Accruals and deferred income		<u>1,000</u>	<u>1,000</u>
		<u>1,590,609</u>	<u>976,341</u>

Creditors include net obligations under finance lease and hire purchase contracts which are secured of £117,706 (2020 - £111,606).

##### Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
<b>Due after one year</b>			
Loans and borrowings	9	<u>216,652</u>	<u>310,974</u>

Creditors include net obligations under finance lease and hire purchase contracts which are secured of £216,652 (2020 - £310,974).

#### 7 Share capital

##### Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary of £1 each	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>

## Motion Finance Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 8 Reserves

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Revaluation reserve £	Retained earnings £	Total £
Surplus/(deficit) on property, plant and equipment revaluation	-	12,933	12,933
Surplus/(deficit) on revaluation of other assets	(12,933)	-	(12,933)
	<u>(12,933)</u>	<u>12,933</u>	<u>-</u>

The changes to each component of equity resulting from items of other comprehensive income for the prior year were as follows:

	Revaluation reserve £	Retained earnings £	Total £
Surplus/(deficit) on property, plant and equipment revaluation	315,651	9,741	325,392
Surplus/(deficit) on revaluation of other assets	(9,741)	-	(9,741)
	<u>305,910</u>	<u>9,741</u>	<u>315,651</u>

#### 9 Loans and borrowings

	2021 £	2020 £
<b>Non-current loans and borrowings</b>		
Hire purchase contracts	<u>216,652</u>	<u>310,974</u>

	2021 £	2020 £
<b>Current loans and borrowings</b>		
Hire purchase contracts	<u>117,706</u>	<u>111,606</u>

#### 10 Dividends

	2021 £	2020 £
Interim dividend of £3 (2020 - £4) per ordinary share	<u>350,000</u>	<u>525,000</u>

## **Motion Finance Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **11 Financial commitments, guarantees and contingencies**

##### **Amounts not provided for in the balance sheet**

The total amount of financial commitments not included in the balance sheet is £1,963,137 (2020 - £2,002,696). There is a fixed and floating charge held over the assets of the company due to a cross guarantee in relation to loans held in the ultimate parent company, Allumette Limited.

#### **12 Related party transactions**

##### **Summary of transactions with parent**

Allumette Limited

During the period the company had the following transactions with Allumette Limited:

Management charges paid £600,000 (2020: £600,000)

Dividend paid £350,000 (2020: £350,000)

At the balance sheet date £171,744 (2020: £163,051) was owed from Allumette Limited.

##### **Summary of transactions with all subsidiaries**

During the year the company had the following transactions with Vertik-al Limited:

Management charges received of £600,000 (2020: £600,000)

Rent received of £235,000 (2020: £235,000)

Dividend received of £350,000 (2020: £525,000)

At the year end the company owed £1,471,903 (2020: £863,735) to Vertik-al Limited.

#### **13 Parent and ultimate parent undertaking**

The company's immediate parent is Allumette Limited, incorporated in England & Wales.

The most senior parent entity producing publicly available financial statements is Allumette Limited. These financial statements are available upon request from Yardley Brook Industrial Park, Lea Ford Road, Shard End, Birmingham B33 9TX