

REGISTRAR COPY

Registered number: 03595719

KTM SPORTMOTORCYCLE UK LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018



KTM SPORTMOTORCYCLE UK LIMITED
REGISTERED NUMBER: 03595719

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	632,311	684,159
		<u>632,311</u>	<u>684,159</u>
Current assets			
Debtors: amounts falling due within one year	5	1,420,742	870,353
Cash at bank and in hand	6	39,778	29,166
		<u>1,460,520</u>	<u>899,519</u>
Creditors: amounts falling due within one year	7	(602,273)	(808,011)
Net current assets		<u>858,247</u>	<u>91,508</u>
Total assets less current liabilities		<u>1,490,558</u>	<u>775,667</u>
Provisions for liabilities			
Deferred tax		(56,425)	(62,080)
		<u>(56,425)</u>	<u>(62,080)</u>
Net assets		<u>1,434,133</u>	<u>713,587</u>
Capital and reserves			
Called up share capital		10,000	10,000
Profit and loss account		1,424,133	703,587
		<u>1,434,133</u>	<u>713,587</u>

KTM SPORTMOTORCYCLE UK LIMITED
REGISTERED NUMBER: 03595719

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

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 income and retained earnings 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:



.....
M Walker
Director

Date: 7/3/19

The notes on pages 3 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

KTM Sportmotorcycle UK Limited is a private Company limited by shares registered in England and Wales, registration number 03595719. It's registered office and principal place of business is No. 5 Buckingham Road, Silverstone Park, Towcester, Northants, United Kingdom, NN12 8TJ.

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 following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.5 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 Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 balance sheet 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 Balance Sheet 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 balance sheet date.

2.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property	- 15 years
Plant and machinery	- 4 - 5 years
Motor vehicles	- 7 years
Office equipment	- 5 - 10 years

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 Income and Retained Earnings.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 25 (2017 - 25).

KTM SPORTMOTORCYCLE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

4. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 January 2018	957,336	38,496	47,698	160,427	1,203,957
Additions	-	3,000	15,056	4,792	22,848
At 31 December 2018	957,336	41,496	62,754	165,219	1,226,805
Depreciation					
At 1 January 2018	375,574	33,030	42,018	69,176	519,798
Charge for the year on owned assets	46,784	3,140	6,076	18,696	74,696
At 31 December 2018	422,358	36,170	48,094	87,872	594,494
Net book value					
At 31 December 2018	534,978	5,326	14,660	77,347	632,311
At 31 December 2017	581,762	5,466	5,680	91,251	684,159

5. Debtors

	2018 £	2017 £
Trade debtors	100	31,138
Amounts owed by group undertakings	1,246,142	715,361
Other debtors	71,249	61,490
Prepayments and accrued income	103,251	62,364
	1,420,742	870,353

KTM SPORTMOTORCYCLE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	39,778	29,166
	<u>39,778</u>	<u>29,166</u>

7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	23,183	27,650
Amounts owed to group undertakings	141,145	418,268
Corporation tax	95,810	27,635
Other taxation and social security	37,105	33,682
Accruals and deferred income	305,030	300,776
	<u>602,273</u>	<u>808,011</u>

8. Deferred taxation

	2018 £	2017 £
At beginning of year	(62,080)	(67,908)
Charged to profit or loss	5,655	5,828
At end of year	<u>(56,425)</u>	<u>(62,080)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(56,425)	(62,080)
	<u>(56,425)</u>	<u>(62,080)</u>

KTM SPORTMOTORCYCLE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

9. Related party transactions

As a wholly owned subsidiary the Company has taken advantage of the provisions under section 33 of FRS 102 and has not disclosed transactions with other members of the group.

10. Ultimate parent undertaking and controlling party

The company is controlled by its immediate parent undertaking KTM Sportmotorcycle GmbH, a company incorporated in Austria. The ultimate controlling party is KTM AG, a company incorporated in Austria.

The largest group in which the results of the company are consolidated is that headed by Pierer Konzerngesellschaft mbH, Wels. Copies of its financial statements are available from the Provincial Court of Wels in its capacity as a Commercial Court under file number FN 134766 k.

The smallest group in which the results of the company are consolidated is that headed by KTM AG, a company incorporated in Austria. Copies of its financial statements are available from Stallhofnerstraße 3, A-5230 Mattighofen, Austria.

11. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 17 April 2019 by Rebecca Hughes BSc (Hons) FCCA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.