

REGISTERED NUMBER: 06718623 (England and Wales)

**Unaudited Financial Statements
for the Year Ended 31 March 2017
for
Norton Motorcycles (UK) Limited**

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for the Year Ended 31 March 2017**

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Norton Motorcycles (UK) Limited

**Company Information
for the Year Ended 31 March 2017**

DIRECTORS:

S J Garner
S P Skinner

REGISTERED OFFICE:

Donington Hall
Castle Donington
Derbyshire
DE74 2SG

REGISTERED NUMBER:

06718623 (England and Wales)

ACCOUNTANTS:

HSKS Greenhalgh
Chartered Accountants
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

Norton Motorcycles (UK) Limited (Registered number: 06718623)

**Abridged Balance Sheet
31 March 2017**

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Intangible assets	4		3,824,695		3,305,942
Tangible assets	5		2,179,422		1,390,550
Investments	6		1,808,767		1,798,767
			7,812,884		6,495,259
CURRENT ASSETS					
Stocks		1,257,889		1,328,807	
Debtors		3,413,245		2,911,878	
Cash at bank and in hand		3,465		15,210	
		4,674,599		4,255,895	
CREDITORS					
Amounts falling due within one year		4,114,682		2,608,784	
NET CURRENT ASSETS			559,917		1,647,111
TOTAL ASSETS LESS CURRENT LIABILITIES			8,372,801		8,142,370
CREDITORS					
Amounts falling due after more than one year			(5,979,356)		(6,995,762)
ACCRUALS AND DEFERRED INCOME			(202,016)		-
NET ASSETS			2,191,429		1,146,608
CAPITAL AND RESERVES					
Called up share capital	8		1		1
Capital contribution reserve			705,328		-
Fair value reserve	9		42,661		42,661
Retained earnings			1,443,439		1,103,946
SHAREHOLDERS' FUNDS			2,191,429		1,146,608

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

**Abridged Balance Sheet - continued
31 March 2017**

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

All the members have consented to the preparation of an abridged Balance Sheet for the year ended 31 March 2017 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 6 December 2017 and were signed on its behalf by:

S J Garner - Director

**Notes to the Financial Statements
for the Year Ended 31 March 2017**

1. STATUTORY INFORMATION

Norton Motorcycles (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Norton Motorcycles (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Turnover

Turnover represents net invoiced sales relating to the principle activities and other related activities excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of two businesses in 2013, is being amortised evenly over its estimated useful life of ten years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of 10 years.

Developments costs are being amortised at a rate of £300 per bike sold in the financial year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 10% on reducing balance
Demonstrations	- 10% on cost
Tooling	- 10% on cost
Plant and machinery	- 10% & 25% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 20% on cost
Office & computer equipment	- 15% on cost

Tooling expenditure is depreciated once the asset has been brought into operational use.

Investments in subsidiaries and associates

Investments in subsidiary and associate undertakings are recognised at cost less any provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Development

Development expenditure is capitalised where the project is technically, commercially and financially viable. The expenditure is deferred and amortised over the period the company is expected to benefit.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date unless settled at a contracted rate. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to the profit and loss over the useful lives of the related assets while grants relating to expenses are treated as other income in the profit and loss in the year of receipt.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 71 (2016 - 50) .

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

4. INTANGIBLE FIXED ASSETS

	Totals £
COST	
At 1 April 2016	3,570,841
Additions	653,538
At 31 March 2017	<u>4,224,379</u>
AMORTISATION	
At 1 April 2016	264,899
Amortisation for year	134,785
At 31 March 2017	<u>399,684</u>
NET BOOK VALUE	
At 31 March 2017	<u>3,824,695</u>
At 31 March 2016	<u>3,305,942</u>

Development costs represent design and testing costs incurred in adapting the existing Commando motorcycle platform and new platforms to be used to produce the future models, and for two race bikes used to partake in the Isle of Man TT races. These platforms will be used to generate current and future sale.

5. TANGIBLE FIXED ASSETS

	Totals £
COST	
At 1 April 2016	1,929,041
Additions	1,096,407
Disposals	(2,500)
At 31 March 2017	<u>3,022,948</u>
DEPRECIATION	
At 1 April 2016	538,491
Charge for year	305,285
Eliminated on disposal	(250)
At 31 March 2017	<u>843,526</u>
NET BOOK VALUE	
At 31 March 2017	<u>2,179,422</u>
At 31 March 2016	<u>1,390,550</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

5. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Totals £
COST	
At 1 April 2016	97,000
Additions	199,290
At 31 March 2017	<u>296,290</u>
DEPRECIATION	
At 1 April 2016	19,400
Charge for year	59,258
At 31 March 2017	<u>78,658</u>
NET BOOK VALUE	
At 31 March 2017	<u>217,632</u>
At 31 March 2016	<u>77,600</u>

6. **FIXED ASSET INVESTMENTS**

Information on investments other than loans is as follows:

	Totals £
COST OR VALUATION	
At 1 April 2016 and 31 March 2017	<u>1,866,224</u>
PROVISIONS	
At 1 April 2016 and 31 March 2017	<u>67,457</u>
NET BOOK VALUE	
At 31 March 2017	<u>1,798,767</u>
At 31 March 2016	<u>1,798,767</u>

Cost or valuation at 31 March 2017 is represented by:

	Totals £
Valuation in 2015	42,661
Cost	<u>1,823,563</u>
	<u>1,866,224</u>

Investments (neither listed nor unlisted) were as follows:

	2017 £	2016 £
Other assets	<u>10,000</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

7. SECURED DEBTS

The following secured debts are included within creditors:

	2017 £	2016 £
Bank overdrafts	738,846	-
Other secured loans	403,359	590,039
	<u>1,142,205</u>	<u>590,039</u>

The lender has a debenture in relation to the £1,000,000 loan, dated 9th October 2008.

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

9. RESERVES

	Fair value reserve £
At 1 April 2016 and 31 March 2017	<u>42,661</u>

10. FIRST YEAR ADOPTION

The company has adopted Section 1A of FRS 102 for the first time in the year ended 31 March 2017 and has restated the comparative year accounts where required.

The transition to FRS 102 1A small entities has resulted in a small number of changes in accounting policies to those used previously.

The nature of these changes and their impact on opening equity and profit for the comparative period are explained in the reconciliation of equity.

**Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Norton Motorcycles (UK) Limited**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Norton Motorcycles (UK) Limited for the year ended 31 March 2017 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Norton Motorcycles (UK) Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Norton Motorcycles (UK) Limited and state those matters that we have agreed to state to the Board of Directors of Norton Motorcycles (UK) Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Norton Motorcycles (UK) Limited Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Norton Motorcycles (UK) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Norton Motorcycles (UK) Limited. You consider that Norton Motorcycles (UK) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Norton Motorcycles (UK) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

HSKS Greenhalgh
Chartered Accountants
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

6 December 2017

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.