

Companies House

Abbreviated Audited Accounts
for the Year Ended 31 March 2012
for
Norton Motorcycles (UK) Limited



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for the Year Ended 31 March 2012**

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Norton Motorcycles (UK) Limited

**Company Information
for the Year Ended 31 March 2012**

DIRECTOR: S J Garner

REGISTERED OFFICE: Gate 21
Donington Race Circuit
Castle Donington
Leicestershire
DE74 2RP

REGISTERED NUMBER: 06718623 (England and Wales)

AUDITORS: HSKS Greenhalgh
Chartered Accountants &
Statutory Auditor
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

**Report of the Independent Auditors to
Norton Motorcycles (UK) Limited
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages five to nine, together with the full financial statements of Norton Motorcycles (UK) Limited for the year ended 31 March 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Other information

On 26 March 2013 we reported as auditors to the shareholders of the company on the full financial statements for the year ended 31 March 2012 prepared under Section 396 of the Companies Act 2006, and our report was as follows:

"We have audited the financial statements of Norton Motorcycles (UK) Limited for the year ended 31 March 2012 on pages six to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Report of the Independent Auditors to
Norton Motorcycles (UK) Limited
Under Section 449 of the Companies Act 2006**

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 director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for disclaimer of opinion on financial statements

In seeking to form an opinion on the financial statements we considered the implications of the significant uncertainties disclosed in the financial statements concerning the following matters:

With regard to stock at 31 March 2011 having a carrying amount of £835,397, the evidence available to us was limited because we did not observe the counting of physical stock, having been appointed as auditors of the company after that date. As the company does not maintain a perpetual stock inventory, we were unable to obtain sufficient appropriate audit evidence regarding stock quantities by using other audit procedures.

With regard to stock at 31 March 2012 having a carrying amount of £804,395 the evidence available to us was limited because we were unable to confirm the existence of certain physical stocks held both in the UK and overseas by third parties, the value of which amounted to £393,651. We were unable to obtain sufficient appropriate audit evidence regarding the existence of these stocks by using other audit procedures.

With regard to trade debtors at 31 March 2012 having a carrying amount of £186,392 the evidence available to us was limited because we were unable to confirm the recoverability of these amounts due.

With regard to development cost additions totalling £416,375 during the year to the intangible fixed assets, the evidence available to us was limited because we were unable to substantiate the evaluation made by the director of the parts and labour costs incurred in those additions.

There is potential for the uncertainties to interact with one another such that we have been unable to obtain sufficient appropriate audit evidence regarding the possible effect of the uncertainties taken together.

Disclaimer of opinion on financial statements

Because of the significance of the possible impact of the uncertainties, described in the basis for disclaimer of opinion on financial statements paragraph, to the financial statements, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matter

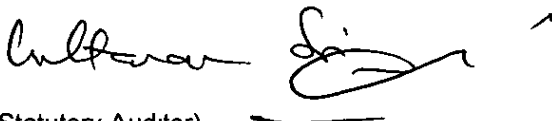
The financial statements of Norton Motorcycles (UK) Limited for the year ended 31 March 2011 were audited by another auditor who expressed a modified opinion on those statements on 8 August 2011 arising from a limitation of scope in relation to the company's stock.

**Report of the Independent Auditors to
Norton Motorcycles (UK) Limited
Under Section 449 of the Companies Act 2006**

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Director "



Kultaran Singh FCA (Senior Statutory Auditor)
for and on behalf of HSKS Greenhalgh
Chartered Accountants &
Statutory Auditor
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

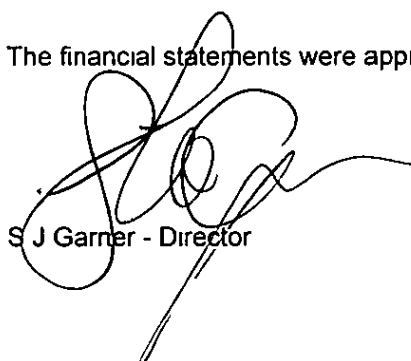
26 March 2013

Abbreviated Balance Sheet
31 March 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	2	1,500,811	1,084,436
Tangible assets	3	488,382	359,949
Investments	4	1,511,063	1,511,063
		<u>3,500,256</u>	<u>2,955,448</u>
CURRENT ASSETS			
Stocks		804,395	835,397
Debtors		506,094	216,311
Cash at bank and in hand		828	10,690
		<u>1,311,317</u>	<u>1,062,398</u>
CREDITORS			
Amounts falling due within one year	5	<u>3,882,103</u>	<u>2,268,228</u>
NET CURRENT LIABILITIES		<u>(2,570,786)</u>	<u>(1,205,830)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>929,470</u>	<u>1,749,618</u>
CREDITORS			
Amounts falling due after more than one year	5	<u>140,555</u>	<u>1,028,819</u>
NET ASSETS		<u><u>788,915</u></u>	<u><u>720,799</u></u>
CAPITAL AND RESERVES			
Called up share capital	6	1	1
Profit and loss account		<u>788,914</u>	<u>720,798</u>
SHAREHOLDERS' FUNDS		<u><u>788,915</u></u>	<u><u>720,799</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the director on 26 March 2013 and were signed by



S J Garner - Director

**Notes to the Abbreviated Accounts
for the Year Ended 31 March 2012**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The company meets its day to day working capital requirements through funds received in the form of a loan from the parent company

The nature of the company's business is such that there can be considerable unpredictable variation in the timing of cash inflows. The directors have prepared projected cashflow information for the period ending 31 March 2014. On the basis of this cash flow information, the directors consider that the company will continue to operate within the limit of funds currently available. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that may result from any significant variation of future cashflows.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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 of motorcycles and merchandise, excluding value added tax, and royalty income.

Although motorcycles are manufactured to order, revenue and profit are not recognised until delivery of the product. Deposits received, including non-refundable initial deposits upon receipt of order, are shown as a current liability and transferred to revenue upon delivery.

Royalty from licencing is secured with a minimum payment upon signing a licence agreement with ongoing royalty payments in line with licencees sales. Minimum payments are taken to revenue upon licence agreement and ongoing royalty payments are taken to revenue in the period they are earned.

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.

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	- 25% on cost

Assets purchased during the year are depreciated based on the number of months the assets were owned.

Stocks

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

Deferred tax

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

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 March 2012

1 ACCOUNTING POLICIES - continued

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 the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2 INTANGIBLE FIXED ASSETS

	Total £
COST	
At 1 April 2011	1,102,966
Additions	416,375
	<hr/>
At 31 March 2012	1,519,341
	<hr/>
AMORTISATION	
At 1 April 2011	
and 31 March 2012	18,530
	<hr/>
NET BOOK VALUE	
At 31 March 2012	1,500,811
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At 31 March 2011	1,084,436
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3 TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 April 2011	417,583
Additions	199,969
Disposals	(6,383)
	<hr/>
At 31 March 2012	611,169
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DEPRECIATION	
At 1 April 2011	57,634
Charge for year	67,015
Eliminated on disposal	(1,862)
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At 31 March 2012	122,787
	<hr/>
NET BOOK VALUE	
At 31 March 2012	488,382
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At 31 March 2011	359,949
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Notes to the Abbreviated Accounts - continued
for the Year Ended 31 March 2012

4 **FIXED ASSET INVESTMENTS**

	Investments other than loans £
COST	
At 1 April 2011 and 31 March 2012	<u>1,511,063</u>
NET BOOK VALUE	
At 31 March 2012	<u>1,511,063</u>
At 31 March 2011	<u>1,511,063</u>

The company's investments at the balance sheet date in the share capital of companies include the following

Norton America LLC

Country of incorporation USA (State of Minnesota)

Nature of business Sale of motorcycles

	% holding	2012 £	2011 £
Class of shares	100.00		
Investment capital			
Aggregate capital and reserves		<u>2,639,813</u>	<u>2,629,271</u>

Changes in the aggregate capital and reserves of the subsidiary company, which have remained unchanged at USD 4,227,000, are the result of exchange rate fluctuations

5 **CREDITORS**

Creditors include an amount of £1,706,963 (2011 - £1,000,000) for which security has been given

They also include the following debts falling due in more than five years

	2012 £	2011 £
Repayable otherwise than by instalments	<u>-</u>	<u>1,000,000</u>

6 **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

7 **ULTIMATE PARENT COMPANY**

The immediate and ultimate parent company is Norton Motorcycle Holdings Limited which owns 100% of the issued share capital of Norton Motorcycles (UK) Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 March 2012

8 TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 31 March 2012 and 31 March 2011

	2012 £	2011 £
S J Garner		
Balance outstanding at start of year	36,003	46
Amounts advanced	40,214	46,277
Amounts repaid	(72,383)	(10,320)
Balance outstanding at end of year	<u>3,834</u>	<u>36,003</u>

There are no fixed repayment terms for the director's loan account, and interest has been charged on the overdrawn balance at 4% during the year