

REGISTERED NUMBER: 07031947 (England and Wales)

**Group Strategic Report,
Report of the Director and
Consolidated Financial Statements
for the Year Ended 31 March 2018
for
Norton Motorcycle Holdings Limited**

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for the Year Ended 31 March 2018**

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Norton Motorcycle Holdings Limited

**Company Information
for the Year Ended 31 March 2018**

DIRECTOR: S J Garner

REGISTERED OFFICE: Donington Hall
Castle Donington
Derbyshire
DE74 2SG

REGISTERED NUMBER: 07031947 (England and Wales)

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

**Group Strategic Report
for the Year Ended 31 March 2018**

The director presents his strategic report of the company and the group for the year ended 31 March 2018.

REVIEW OF BUSINESS

The Norton Motorcycles Group, "Norton", manufactures and sells motorcycles and related parts, accessories and clothing merchandise both directly and indirectly through independent distributors and dealerships around the world. In addition to this, Norton also receives royalty payments through licence deals for use of the brand and design IP.

Norton has performed strongly over the last few years with revenues and EBITDA continuing to grow. Intangibles have grown significantly over the last three years as the business has invested money into the research and development of new engine platforms and model ranges, being the V4 and 650 model ranges. Both of these new model variants have achieved strong order books. With our V4 model now delivering and our 650cc range expected to deliver Summer/Autumn 2019, we expect continued growth going forward.

The group continues to expand its geographic footprint and invest in the development of its dealer and distribution network.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management is a high priority. Processes are designed to identify, mitigate and manage risk. The board of directors are ultimately responsible for the risk management.

Strict processes are followed to evaluate varying levels of opportunities, whether this be new funding opportunities, investment in new motorcycle models, entering new markets and geographical locations, or selection of new suppliers.

KEY PERFORMANCE INDICATORS

The group does not have any Key Performance Indicators.

ON BEHALF OF THE BOARD:

S J Garner - Director

24 April 2019

**Report of the Director
for the Year Ended 31 March 2018**

The director presents his report with the financial statements of the company and the group for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of manufacturing and sale of motorcycles and related merchandise.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2018.

DIRECTOR

S J Garner held office during the whole of the period from 1 April 2017 to the date of this report.

POLITICAL DONATIONS AND EXPENDITURE

During the year Norton Motorcycle (UK) Limited made political donations as follows:

North West Leicester Conservative Association £2,500
Others £183

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

S J Garner - Director

24 April 2019

Report of the Independent Auditors to the Members of Norton Motorcycle Holdings Limited

Disclaimer of opinion

We were engaged to audit the financial statements of Norton Motorcycle Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the group. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The financial statements of the year ended 31 March 2017 were not audited. We have obtained audit evidence to support certain opening balances for the year ended 31 March 2018. However, there were opening balances that could not be audited as detailed in the following five paragraphs:

Development costs reflected in the group's assets at 31 March 2017 with a carrying value of £3,718,992 include an estimate of labour and other costs which is based on an apportionment of costs incurred. These estimates are judgemental and therefore subject to an inherent estimation uncertainty and this asset represents 26.7% of the group's gross assets. As a result of this estimation uncertainty we are unable to determine whether any adjustments were necessary in respect of the carrying value of this asset at 31 March 2017.

The group's investment in Norton America LLC, a foreign subsidiary, is carried at £1,511,062 in the balance sheet as at 31 March 2017. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of Norton Motorcycles (UK) Limited's investment in Norton America LLC as at 31 March 2017 because financial information for this entity was not available. Consequently, we were unable to determine whether any adjustment to the amount of the investment was necessary.

Stock as at 31 March 2017 had a carrying value of £1,257,889. The audit evidence available to us was limited because we did not observe counting of the physical stock at 31 March 2017, since that date was prior to our appointment as auditor of the company. We were unable to obtain sufficient appropriate evidence regarding the stock quantities by using other audit procedures and were therefore unable to determine whether any adjustments were necessary in respect of the carrying value of this asset.

Trade debtors as at 31 March 2017, and after the prior period adjustment totalled £166,472, and we were unable to obtain sufficient appropriate evidence regarding this balance by using other audit procedures.

Included within other debtors as at 31 March 2017 were amounts totalling £348,087 due from two related parties and we were unable to obtain sufficient appropriate evidence regarding this balance by any other audit procedures.

Report of the Independent Auditors to the Members of Norton Motorcycle Holdings Limited

Furthermore, with regard to the year ended 31 March 2018:

Development expenditure has not been accounted for in line with the accounting policy or FRS 102 in so far as a proportion of development expenditure incurred in the year has been expensed through the income statement. Development cost additions have been understated by £1,054,888 and pre tax profit for the year has been understated by the same amount. As a result the amortisation of development costs, being £300 per motorcycle, is potentially insufficient. Furthermore, given that we were unable to determine whether any adjustment was necessary in respect of the carrying value of this asset at 31 March 2017, we are unable to determine similar at 31 March 2018.

Given that development costs have been accounted for incorrectly as above, the grant income receivable during the year ended 31 March 2018 relating to such development costs has also been accounted for incorrectly. Grant income of £1,054,888 should be recognised on a systematic basis over the expected useful life of the asset with any deferred income being carried in the balance sheet. Furthermore the accounting policy for government grants is not compliant with FRS 102. As a result, other income and net profit before tax for the year are overstated by £1,054,688 and deferred income is understated by the same amount. The overall effect on net profit before tax of this incorrect accounting treatment and that described in the preceding paragraph is £nil for the year ended 31 March 2018.

The group's investment in Norton America LLC, a foreign subsidiary, is carried at £1,511,062 in the balance sheet as at 31 March 2018. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of Norton Motorcycles (UK) Limited's investment in Norton America LLC as at 31 March 2018 because financial information for this entity was not available. Consequently, we were unable to determine whether any adjustment to the amount of the investment was necessary.

Material uncertainty relating to going concern

We draw attention to the going concern section in note 2 in the financial statements which indicates that the group made a pre tax profit of £20,721 (equating to a loss after tax of £13,182) during the year ended 31 March 2018 and, as of that date, the group's current liabilities exceeded its current assets by £5,068,626. As stated in the going concern section in note 2, these conditions, along with the other matters as detailed in that section, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Other matters

In the previous accounting period the directors of the company took advantage of audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

Report of the Independent Auditors to the Members of Norton Motorcycle Holdings Limited

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 by the , 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.

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the group and its environment obtained in the course of the audit performed subject to the pervasive limitations described above, we have not identified material misstatements in the strategic report or the directors' report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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

- 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.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the 's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Report of the Independent Auditors to the Members of
Norton Motorcycle Holdings Limited**

Use of our report

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.

Philip Handley 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 April 2019

**Consolidated Income Statement
for the Year Ended 31 March 2018**

	Notes	2018 £	2017 £
TURNOVER	3	6,723,914	5,604,837
Cost of sales		<u>(5,092,384)</u>	<u>(4,503,811)</u>
GROSS PROFIT		1,631,530	1,101,026
Administrative expenses		<u>(2,333,070)</u>	<u>(2,507,042)</u>
		(701,540)	(1,406,016)
Other operating income		<u>1,127,931</u>	<u>1,103,540</u>
GROUP OPERATING PROFIT/(LOSS)	5	426,391	(302,476)
Share of operating loss in Associates		(1,814)	(80,528)
Loan write off	7	373,359	186,680
Related party balances written off	7	<u>(479,335)</u>	<u>-</u>
		318,601	(196,324)
Interest receivable and similar income		<u>1,982</u>	<u>272</u>
		320,583	(196,052)
Interest payable and similar expenses	8	<u>(299,862)</u>	<u>(190,984)</u>
PROFIT/(LOSS) BEFORE TAXATION		20,721	(387,036)
Tax on profit/(loss)	9	<u>(33,903)</u>	<u>(44,055)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(13,182)</u>	<u>(431,091)</u>
Loss attributable to: Owners of the parent		<u>(13,182)</u>	<u>(431,091)</u>

**Consolidated Other Comprehensive Income
for the Year Ended 31 March 2018**

	Notes	2018 £	2017 £
LOSS FOR THE YEAR		(13,182)	(431,091)
OTHER COMPREHENSIVE INCOME			
Profit/Loss for the financial year			
Revaluation reserve		-	416,538
Deferred tax movement on revaluation			
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	416,538
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(13,182)</u>	<u>(14,553)</u>
Total comprehensive income attributable to: Owners of the parent		<u>(13,182)</u>	<u>(14,553)</u>

Norton Motorcycle Holdings Limited (Registered number: 07031947)

**Consolidated Balance Sheet
31 March 2018**

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Intangible assets	11		5,204,014		3,785,664
Tangible assets	12		7,079,422		6,723,537
Investments	13				
Interest in associate			141,451		143,265
Other investments			1,521,062		1,521,062
			13,945,949		12,173,528
CURRENT ASSETS					
Stocks	14	1,487,290		1,257,889	
Debtors	15	1,740,001		1,232,084	
Cash at bank and in hand		58,116		3,465	
		3,285,407		2,493,438	
CREDITORS					
Amounts falling due within one year	16	8,354,033		5,031,913	
NET CURRENT LIABILITIES			(5,068,626)		(2,538,475)
TOTAL ASSETS LESS CURRENT LIABILITIES			8,877,323		9,635,053
CREDITORS					
Amounts falling due after more than one year	17		(2,405,217)		(2,530,374)
PROVISIONS FOR LIABILITIES	21		(315,258)		(316,593)
NET ASSETS			6,156,848		6,788,086
CAPITAL AND RESERVES					
Called up share capital	22		92,368		98,589
Share premium	23		6,570,537		7,182,372
Revaluation reserve	23		1,626,262		1,637,190
Retained earnings	23		(2,132,319)		(2,130,065)
SHAREHOLDERS' FUNDS			6,156,848		6,788,086

The notes form part of these financial statements

Consolidated Balance Sheet - continued
31 March 2018

The financial statements were approved by the director on 24 April 2019 and were signed by:

S J Garner - Director

Norton Motorcycle Holdings Limited (Registered number: 07031947)

**Company Balance Sheet
31 March 2018**

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		-		-
Investments	13		<u>796,924</u>		<u>877,062</u>
			<u>796,924</u>		<u>877,062</u>
CURRENT ASSETS					
Debtors	15	5,418,823		5,907,888	
CREDITORS					
Amounts falling due within one year	16	<u>651,287</u>		<u>690,318</u>	
NET CURRENT ASSETS			<u>4,767,536</u>		<u>5,217,570</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,564,460</u>		<u>6,094,632</u>
CAPITAL AND RESERVES					
Called up share capital	22		92,368		98,589
Share premium	23		6,570,537		7,182,372
Retained earnings	23		<u>(1,098,445)</u>		<u>(1,186,329)</u>
SHAREHOLDERS' FUNDS			<u>5,564,460</u>		<u>6,094,632</u>
Company's profit for the financial year			<u>87,884</u>		<u>101,062</u>

The notes form part of these financial statements

Company Balance Sheet - continued
31 March 2018

The financial statements were approved by the director on 24 April 2019 and were signed by:

S J Garner - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2018**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 April 2016	102,460	(1,765,031)	7,974,362	1,286,709	7,598,500
Changes in equity					
Issue of share capital	(3,871)	-	(791,990)	-	(795,861)
Total comprehensive income	-	(365,034)	-	350,481	(14,553)
Balance at 31 March 2017	<u>98,589</u>	<u>(2,130,065)</u>	<u>7,182,372</u>	<u>1,637,190</u>	<u>6,788,086</u>
Changes in equity					
Issue of share capital	(6,221)	-	(611,835)	-	(618,056)
Total comprehensive income	-	(2,254)	-	(10,928)	(13,182)
Balance at 31 March 2018	<u>92,368</u>	<u>(2,132,319)</u>	<u>6,570,537</u>	<u>1,626,262</u>	<u>6,156,848</u>

**Company Statement of Changes in Equity
for the Year Ended 31 March 2018**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2016	102,460	(1,287,391)	7,974,362	6,789,431
Changes in equity				
Issue of share capital	(3,871)	-	(791,990)	(795,861)
Total comprehensive income	-	101,062	-	101,062
Balance at 31 March 2017	<u>98,589</u>	<u>(1,186,329)</u>	<u>7,182,372</u>	<u>6,094,632</u>
Changes in equity				
Issue of share capital	(6,221)	-	(611,835)	(618,056)
Total comprehensive income	-	87,884	-	87,884
Balance at 31 March 2018	<u>92,368</u>	<u>(1,098,445)</u>	<u>6,570,537</u>	<u>5,564,460</u>

**Consolidated Cash Flow Statement
for the Year Ended 31 March 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	877,321	1,495,414
Interest paid		(292,340)	(186,301)
Interest element of hire purchase payments paid		(7,522)	(4,683)
Tax paid		-	(927)
Net cash from operating activities		<u>577,459</u>	<u>1,303,503</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(1,562,029)	(653,538)
Purchase of tangible fixed assets		(838,499)	(912,202)
Purchase of fixed asset investments		-	(10,000)
Interest received		1,982	272
Net cash from investing activities		<u>(2,398,546)</u>	<u>(1,575,468)</u>
Cash flows from financing activities			
New loans in year		992,789	420,384
Loan repayments in year		(292,522)	(58,915)
Capital repayments in year		(49,431)	(50,320)
Amount introduced by directors		-	785
Amount withdrawn by directors		(218,356)	(9,116)
Redemption of share capital and premium		(618,056)	(795,862)
Net cash from financing activities		<u>(185,576)</u>	<u>(493,044)</u>
Decrease in cash and cash equivalents		<u>(2,006,663)</u>	<u>(765,009)</u>
Cash and cash equivalents at beginning of year	2	<u>(732,841)</u>	32,168
Cash and cash equivalents at end of year	2	<u><u>(2,739,504)</u></u>	<u><u>(732,841)</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2018

1. **RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2018 £	2017 £
Profit/(loss) before taxation	20,721	(387,036)
Depreciation charges	760,227	520,499
Loss on disposal of fixed assets	-	2,250
Loss from associate	1,814	80,528
Loan write off	(373,359)	(186,680)
Finance costs	299,862	190,984
Finance income	(1,982)	(272)
	<u>707,283</u>	<u>220,273</u>
(Increase)/decrease in stocks	(229,401)	70,918
Increase in trade and other debtors	(265,777)	(51,619)
Increase in trade and other creditors	665,216	1,255,842
Cash generated from operations	<u>877,321</u>	<u>1,495,414</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2018

	31/3/18 £	1/4/17 £
Cash and cash equivalents	58,116	3,465
Bank overdrafts	(2,797,620)	(736,306)
	<u>(2,739,504)</u>	<u>(732,841)</u>

Year ended 31 March 2017

	31/3/17 £	1/4/16 £
Cash and cash equivalents	3,465	32,275
Bank overdrafts	(736,306)	(107)
	<u>(732,841)</u>	<u>32,168</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2018**

1. STATUTORY INFORMATION

Norton Motorcycle Holdings 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 General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standards 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.

Going Concern

The group financial statements for the year ended 31 March 2018 detail a pre-tax profit of £20,721 for the year (2017 - £387,036 loss) with net current liabilities of £5,068,626 (2017 - £2,538,475) but net assets of £6,156,848 (2017 - £6,788,086).

The group is therefore dependent on the future financial support of its creditors, group companies and group bankers, Santander.

Net current liabilities have grown in the year due to use of a new overdraft facility for the funding of V4 SS stock as this new model went into production. As the new model is now successfully in production the company has received Heads of Terms to develop a new funding proposal to convert short term overdraft funding into a committed term loan, which would improve the net current liabilities position.

With an incredibly successful new model launch, it should also be noted that short-term creditors include customer deposits. Despite being classed as current liabilities, the directors consider it very unlikely this would ever materialise in any material short term cash requirements given current trading conditions and given the minimal number of cancellations in the past resulting in customer refunds.

The group meets its day to day working capital requirements through an agreed overdraft facility, provided by Santander Bank on an evergreen automatic renewal, and has received Heads of Terms to develop a new funding proposal to convert short term overdraft funding into a committed term loan. Furthermore, the group continues to be supported by Santander with a 5 year term loan repayable in July 2020.

The group has a wide range of banking facilities and its bankers continue to support all of these facilities. Further to this, as above the group has received Heads of Terms, to develop a proposal for refinancing, including the provision of further growth capital to enable Norton Motorcycles (UK) Limited, the main trading company within the group, to expand and scale its business.

The directors have prepared projected cash flow information for the period ending 12 months from the date of their approval of these financial statements. On the basis of the cash flow information and on the basis of the information above, the directors consider it appropriate to prepare the financial statements on a going concern basis.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018**

2. ACCOUNTING POLICIES - continued

Basis of consolidation

Norton Motorcycle Holdings Limited has three subsidiaries; Norton Motorcycles (UK) Limited, Norton Racing Limited and Donington Hall Estates Limited which have been included in the group consolidated financial statements in accordance with the provisions of the Companies Act 2006. Norton Motorcycles (UK) Limited has two subsidiaries: Spondon Engineering Limited and Norton America LLC. Spondon Engineering has also been included in the group consolidated financial statements in accordance with the provisions of the Companies Act 2006. Norton America LLC has been excluded from the group consolidated financial statements as the company is inactive and no financial records have been maintained.

The registered office for all consolidated subsidiary companies is the same as Norton Motorcycle Holdings Limited.

The acquisition method of accounting is used to account for business combinations by the group.

Associates

Investments in associates are recognised initially in the consolidated balance sheet at cost and subsequently adjusted to reflect the group's share of total comprehensive income and equity of the associate, less any impairment.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition, although treated as goodwill, is presented as part of the investment in the associate. Amortisation is charged so as to allocate the cost of goodwill over its estimated useful life, being 10 years, using the straight-line method. Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the group has incurred legal or constructive obligations or has made payments on behalf of the associate.

Investments in associates are accounted for at cost less impairment in the individual financial statements.

Turnover

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the customer. Sales of motorcycles and related parts, merchandise and accessories are recognised in turnover at the point of dispatch, which is when the risks and rewards of ownership pass to the customer. Turnover is measured at the fair value of the consideration receivable, excluding value added tax and discounts.

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 motorcycle sold in the financial year.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018**

2. ACCOUNTING POLICIES - continued

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.

Freehold property	- 2% on valuation and not provided
Short leasehold	- 10% on cost
Demonstrators	- 10% on cost
Tooling	- 10% on cost
Plant and machinery	- 33% on cost and 10% on cost
Fixtures and fittings	- 20% on reducing balance and 10% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 15% on cost

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

Investments in subsidiaries and associates

Investment in the subsidiary that has not been consolidated (as stated in the Basis of Consolidation section of note 2 and included in 'Other Investments' in the consolidated balance sheet) is 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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

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.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

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 and expenses are treated as other income in the profit and loss in the year of receipt.

3. TURNOVER

The turnover and profit (2017 - loss) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2018 £	2017 £
Goods provided	6,718,914	5,599,337
Rents received	5,000	5,500
	<u>6,723,914</u>	<u>5,604,837</u>

4. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	1,270,111	1,397,042
Social security costs	153,719	117,861
Other pension costs	18,842	-
	<u>1,442,672</u>	<u>1,514,903</u>

The average number of employees during the year was as follows:

	2018	2017
Directors	2	2
Direct and administrative staff	72	57
Apprentices	11	12
	<u>85</u>	<u>71</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 2 (2017 - NIL) .

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018

4. **EMPLOYEES AND DIRECTORS - continued**

	2018	2017
	£	£
Director's remuneration	95,618	95,000
Director's pension contributions to money purchase schemes	<u>632</u>	<u>-</u>

5. **OPERATING PROFIT/(LOSS)**

The operating profit (2017 - operating loss) is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	530,503	331,928
Depreciation - assets on hire purchase contracts	86,045	59,258
Loss on disposal of fixed assets	-	2,250
Goodwill amortisation	3,527	805
Patents and licences amortisation	15,952	6,085
Development costs amortisation	124,200	119,700
Foreign exchange differences	<u>32,423</u>	<u>16,200</u>

6. **AUDITORS' REMUNERATION**

	2018	2017
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>22,640</u>	<u>-</u>

7. **EXCEPTIONAL ITEMS**

During the year ended 31 March 2017 the directors were of the opinion that an amount owed to M Sipp (a pension scheme in which a shareholder of the ultimate parent company, Norton Motorcycle Holdings Limited, has an interest) was very unlikely to ever become payable. As such, it was decided to write the total of the loan off over a period of 3 years. However, during this year, the directors have decided to write off the remaining loan amount of £373,359 in full.

A debt due from Lantern Seven Limited (previously Fireworks World Limited), a company in which S J Garner was a director until 29 June 2018 and is a shareholder, amounting to £324,002 was deemed irrecoverable and therefore written off in full during the year.

During the year, the group has written off a loan amounting to £61,094 from Priest House Hotel Limited, a company in which S J Garner is a sole shareholder and director.

During the year, the group has written off a debtor balance amounting to £22,052 from Greensward Limited, a company in which S J Garner is a shareholder and director.

During the year, the group has recognised an additional creditor amounting to £14,005 to British Motorcycle Manufacturing Academy Limited, a company in which S J Garner is a sole shareholder and director.

During the year, the group has written off an intercompany balance amounting to £58,182 from Norton America LLC, a company in which S J Garner is a director.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank interest	266,138	177,746
Other loan interest	26,202	8,555
Hire purchase	7,522	4,683
	<u>299,862</u>	<u>190,984</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	35,238	-
Deferred tax	(1,335)	44,055
Tax on profit/(loss)	<u>33,903</u>	<u>44,055</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 March 2018.

	Gross	2017 Tax	Net
	£	£	£
Revaluation reserve	<u>416,538</u>	<u>-</u>	<u>416,538</u>

10. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Development costs £	Totals £
COST				
At 1 April 2017	35,266	60,857	4,073,522	4,169,645
Additions	-	98,661	1,463,368	1,562,029
At 31 March 2018	<u>35,266</u>	<u>159,518</u>	<u>5,536,890</u>	<u>5,731,674</u>
AMORTISATION				
At 1 April 2017	20,297	9,154	354,530	383,981
Amortisation for year	3,527	15,952	124,200	143,679
At 31 March 2018	<u>23,824</u>	<u>25,106</u>	<u>478,730</u>	<u>527,660</u>
NET BOOK VALUE				
At 31 March 2018	<u>11,442</u>	<u>134,412</u>	<u>5,058,160</u>	<u>5,204,014</u>
At 31 March 2017	<u>14,969</u>	<u>51,703</u>	<u>3,718,992</u>	<u>3,785,664</u>

12. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Demonstrators £	Tooling £
COST OR VALUATION				
At 1 April 2017	4,750,000	791,992	104,767	1,235,336
Additions	-	7,146	15,340	274,965
At 31 March 2018	<u>4,750,000</u>	<u>799,138</u>	<u>120,107</u>	<u>1,510,301</u>
DEPRECIATION				
At 1 April 2017	214,334	79,199	19,906	278,915
Charge for year	89,400	79,914	12,010	149,432
At 31 March 2018	<u>303,734</u>	<u>159,113</u>	<u>31,916</u>	<u>428,347</u>
NET BOOK VALUE				
At 31 March 2018	<u>4,446,266</u>	<u>640,025</u>	<u>88,191</u>	<u>1,081,954</u>
At 31 March 2017	<u>4,535,666</u>	<u>712,793</u>	<u>84,861</u>	<u>956,421</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018

12. TANGIBLE FIXED ASSETS - continued

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 April 2017	207,087	121,801	436,520	136,006	7,783,509
Additions	485,157	33,121	142,028	14,676	972,433
At 31 March 2018	<u>692,244</u>	<u>154,922</u>	<u>578,548</u>	<u>150,682</u>	<u>8,755,942</u>
DEPRECIATION					
At 1 April 2017	111,964	81,211	168,880	105,563	1,059,972
Charge for year	160,155	10,232	96,910	18,495	616,548
At 31 March 2018	<u>272,119</u>	<u>91,443</u>	<u>265,790</u>	<u>124,058</u>	<u>1,676,520</u>
NET BOOK VALUE					
At 31 March 2018	<u>420,125</u>	<u>63,479</u>	<u>312,758</u>	<u>26,624</u>	<u>7,079,422</u>
At 31 March 2017	<u>95,123</u>	<u>40,590</u>	<u>267,640</u>	<u>30,443</u>	<u>6,723,537</u>

Included in cost or valuation of land and buildings is freehold land of £280,000 (2017 - £280,000) which is not depreciated.

Tangible fixed assets with a carrying amount of £5,086,291 (2017 - £5,248,459) are pledged as security for the group's borrowing facilities.

Cost or valuation at 31 March 2018 is represented by:

	Freehold property £	Short leasehold £	Demonstrators £	Tooling £
Valuation in 2015	1,568,986	-	-	-
Valuation in 2017	406,799	-	-	-
Cost	<u>2,774,215</u>	<u>799,138</u>	<u>120,107</u>	<u>1,510,301</u>
	<u>4,750,000</u>	<u>799,138</u>	<u>120,107</u>	<u>1,510,301</u>

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2015	-	-	-	-	1,568,986
Valuation in 2017	-	-	-	-	406,799
Cost	<u>692,244</u>	<u>154,922</u>	<u>578,548</u>	<u>150,682</u>	<u>6,780,157</u>
	<u>692,244</u>	<u>154,922</u>	<u>578,548</u>	<u>150,682</u>	<u>8,755,942</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018

12. **TANGIBLE FIXED ASSETS - continued**

Group

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

	Motor vehicles £
COST OR VALUATION	
At 1 April 2017	296,290
Additions	133,934
At 31 March 2018	<u>430,224</u>
DEPRECIATION	
At 1 April 2017	78,658
Charge for year	86,045
At 31 March 2018	<u>164,703</u>
NET BOOK VALUE	
At 31 March 2018	<u>265,521</u>
At 31 March 2017	<u>217,632</u>

13. **FIXED ASSET INVESTMENTS**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Shares in group undertakings	1,511,062	1,511,062	796,924	877,062
Participating interests	141,451	143,265	-	-
Other investments not loans	10,000	10,000	-	-
	<u>1,662,513</u>	<u>1,664,327</u>	<u>796,924</u>	<u>877,062</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018

13. **FIXED ASSET INVESTMENTS - continued**

Additional information is as follows:

Group

	Shares in group undertakings £	Interest in associate £	Totals £
COST			
At 1 April 2017	1,511,062	210,722	1,721,784
Share of profit/(loss)	-	(1,814)	(1,814)
At 31 March 2018	<u>1,511,062</u>	<u>208,908</u>	<u>1,719,970</u>
PROVISIONS			
At 1 April 2017			
and 31 March 2018	-	67,457	67,457
NET BOOK VALUE			
At 31 March 2018	<u>1,511,062</u>	<u>141,451</u>	<u>1,652,513</u>
At 31 March 2017	<u>1,511,062</u>	<u>143,265</u>	<u>1,654,327</u>

Investments (neither listed nor unlisted) were as follows:

	2018 £	2017 £
Other assets	<u>10,000</u>	<u>10,000</u>
Company		
		Shares in group undertakings £
COST		
At 1 April 2017		877,062
Disposals		(80,138)
At 31 March 2018		<u>796,924</u>
NET BOOK VALUE		
At 31 March 2018		<u>796,924</u>
At 31 March 2017		<u>877,062</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Norton Motorcycles (UK) Limited

Registered office: Donington Hall, Castle Donington, Derby, Derbyshire DE74 2SG

Nature of business: Manufacture and sale of motorcycles

	% holding
Class of shares:	
Ordinary	100.00

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018

13. **FIXED ASSET INVESTMENTS - continued**

Norton Racing Limited

Registered office: Donington Hall, Castle Donington, Derby, Derbyshire DE74 2SG

Nature of business: Non-trading company

	%
Class of shares:	holding
Ordinary	100.00

Donington Hall Estates Limited

Registered office: Donington Hall, Park Lane, Castle Donington, Derby, Derbyshire DE74 2SG

Nature of business: Corporate and occasional hospitality

	%
Class of shares:	holding
Ordinary	100.00

Spondon Engineering Limited

Registered office: Donington Hall, Castle Donington, Derby, Derbyshire DE74 2SG

Nature of business: Non-trading company

	%
Class of shares:	holding
Ordinary	100.00

Norton Motorcycles (UK) Limited, a subsidiary of Norton Motorcycle Holdings Limited, owns 100% of the ordinary share capital of Spondon Engineering Limited and is detailed above.

Norton America LLC

Registered office: 80 South 8th Street 500 Minneapolis, MN 55402, USA

Nature of business: Inactive

	%
Class of shares:	holding
Ordinary	100.00

Norton Motorcycles (UK) Limited, a subsidiary of Norton Motorcycle Holdings Limited, owns 100% of the investment capital of Norton America LLC and is detailed above. As Norton America LLC is inactive and no financial records have been maintained the aggregate capital and reserves as at 31 March 2018 and 31 March 2017 are unknown.

Associated company

Spondon Developments Limited

Registered office: Donington Hall, Castle Donington, Derby, Derbyshire DE74 2SG

Nature of business: Non-trading company

	%
Class of shares:	holding
Ordinary	50.00

	2018	2017
	£	£
Aggregate capital and reserves	282,266	285,893
Loss for the year	<u>(3,627)</u>	<u>(161,056)</u>

Norton Motorcycles (UK) Limited, a subsidiary of Norton Motorcycle Holdings Limited, owns 50% of the ordinary share capital of Spondon Developments Limited and is detailed above.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018

14. **STOCKS**

	Group	
	2018	2017
	£	£
Stocks	<u>1,487,290</u>	<u>1,257,889</u>

15. **DEBTORS**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	942,572	166,472	-	-
Amounts owed by group undertakings	-	-	287,022	287,022
Other debtors	281,357	744,029	-	-
Directors' current accounts	160,773	-	1,118	1,118
Prepayments & accrued income	355,299	321,583	-	-
	<u>1,740,001</u>	<u>1,232,084</u>	<u>288,140</u>	<u>288,140</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	5,130,683	5,619,748
Aggregate amounts	<u>1,740,001</u>	<u>1,232,084</u>	<u>5,418,823</u>	<u>5,907,888</u>

16. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts (see note 18)	4,324,519	1,337,940	-	-
Other loans (see note 18)	190,000	643,359	160,000	240,000
Hire purchase contracts (see note 19)	57,171	42,850	-	-
Trade creditors	1,984,990	1,390,236	-	-
Amounts owed to associates	63,176	65,816	-	-
Tax	127,274	10,669	-	-
Social security and other taxes	251,556	93,930	-	-
Other creditors	706,695	732,683	480,487	447,918
Customer deposits	509,644	553,079	-	-
Directors' current accounts	-	57,583	-	-
Accruals & deferred income	93,245	62,581	10,800	2,400
Deferred government grants	45,763	41,187	-	-
	<u>8,354,033</u>	<u>5,031,913</u>	<u>651,287</u>	<u>690,318</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018

17. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group	
	2018	2017
	£	£
Bank loans (see note 18)	1,823,750	1,968,750
Hire purchase contracts (see note 19)	261,126	190,944
Deferred government grants	320,341	370,680
	<u>2,405,217</u>	<u>2,530,374</u>

18. **LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	2,797,620	736,306	-	-
Bank loans	1,526,899	601,634	-	-
Other loans	190,000	643,359	160,000	240,000
	<u>4,514,519</u>	<u>1,981,299</u>	<u>160,000</u>	<u>240,000</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	145,000	145,000	-	-
Amounts falling due between two and five years:				
Bank loans - 2-5 years	1,678,750	1,823,750	-	-

19. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	57,171	42,850
Between one and five years	261,126	190,944
	<u>318,297</u>	<u>233,794</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2018	2017
	£	£
Hire purchase contracts	318,297	233,794
Bank overdraft	2,799,706	738,846
Bank loans	3,350,649	2,570,384
	<u>6,468,652</u>	<u>3,543,024</u>

The groups bankers have a fixed and floating charge covering all the property or undertaking of the group in support of the bank overdraft and loans amounting to £5,268,060 (2017 - £3,241,506).

Also included within bank loans is an Exports Enterprise Finance Guarantee Scheme (ExEFG) loan amounting to £882,295 (2017 - £67,524) which is guaranteed by the UK government.

The hire purchase liabilities are secured against the individual assets concerned.

21. PROVISIONS FOR LIABILITIES

	Group	
	2018	2017
	£	£
Deferred tax	<u>315,258</u>	<u>316,593</u>
Group		
		Deferred tax
		£
Balance at 1 April 2017		316,593
Provided during year		(1,335)
Balance at 31 March 2018		<u>315,258</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2018	2017 as restated
Number:	Class:			
			£	£
131,580	Ordinary	1p	1,316	1,316
9,105,206	Preference	1p	91,052	97,273
			<u>92,368</u>	<u>98,589</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018

22. CALLED UP SHARE CAPITAL - continued

The preference shares are only redeemable at the company's option and any preferential dividend to be paid out of the company's distributable reserves (with no cumulative rights) are determined by the director.

During the year, the company redeemed 622,100 1p preference shares at a net premium of £611,835, with £480,487 owed to preference shareholders as at 31 March 2018 (other creditors - note 10).

23. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 April 2017	(2,130,065)	7,182,372	1,637,190	6,689,497
Deficit for the year	(13,182)			(13,182)
Redeemed	-	(611,835)	-	(611,835)
Movement in deferred tax	(1,335)	-	1,335	-
Transfer of realised reserves	12,263	-	(12,263)	-
At 31 March 2018	<u>(2,132,319)</u>	<u>6,570,537</u>	<u>1,626,262</u>	<u>6,064,480</u>

Company

	Retained earnings £	Share premium £	Totals £
At 1 April 2017	(1,186,329)	7,182,372	5,996,043
Profit for the year	87,884		87,884
Redeemed	-	(611,835)	(611,835)
At 31 March 2018	<u>(1,098,445)</u>	<u>6,570,537</u>	<u>5,472,092</u>

24. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 March 2018 and 31 March 2017:

	2018 £	2017 as restated £
S J Garner		
Balance outstanding at start of year	(57,583)	(65,914)
Amounts advanced	223,556	16,816
Amounts repaid	(5,200)	(8,485)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>160,773</u>	<u>(57,583)</u>

This amount is unsecured, had interest charged at 2.5% per annum on any overdrawn balances throughout the year and has no fixed repayment date.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018**

25. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Spondon Developments Limited (company number 02446090)

An associated company in which S J Garner is also a director.

At the year end the group had a short term loan owing to Spondon Developments Limited amounting to £325,969 (2017 - £328,609). This amount is unsecured, interest free and has no fixed repayment date.

Greensward Limited

A company in which S J Garner is a shareholder and director.

At the year end the group had a short term loan owing from Greensward Limited amounting to £278,728 (2017 - £340,913 as restated). This amount is unsecured, interest free and has no fixed repayment date.

Lantern Seven Limited (previously Fireworks World Limited)

A company in which S J Garner was a director and is a shareholder.

As detailed at note 7, the amount owing from Lantern Seven Limited of £324,002 (2017: £110,239) was deemed irrecoverable and written off in the year. S J Garner resigned as a director on 29 June 2018.

Priest House Hotel Limited

A company in which S J Garner is sole director.

At the year end the group had a short term loan owing to Priest House Hotel Limited amounting to £19,721 (2017 - £237,848). This amount is unsecured, interest free and has no fixed repayment date.

During the year the company provided goods and services to the group amounting to £90,000 (2017 - £nil).

British Motorcycle Manufacturing Academy Limited

A company in which S J Garner is sole director.

At the year end the group had a short term loan owing to British Motorcycle Manufacturing Academy Limited amounting to £165,565 (2017 - £223,291). This amount is unsecured, interest free and has no fixed repayment date.

During the year the group sold goods amounting to £25,000 (2017: £nil) to British Motorcycle Manufacturing Academy limited. The balance due at the year end amounted to £30,000 (2017: £nil) and is included within trade debtors.

Norton America LLC

A group company in which S J Garner is also a director.

At the year end the group had a short term loan owing from Norton America LLC amounting to £nil (2017 - £58,182). This amount is unsecured, interest free and has no fixed repayment date.

A C Garner

Father of S J Garner

During the year the company purchased plant and machinery for £90,000 (2017: £nil) from A C Garner.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2018**

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is S J Garner by virtue of his controlling interest in the voting share capital of Norton Motorcycle Holdings Limited.

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.