

COMPANY REGISTRATION NUMBER: 10275074

**Spirit Motorcycles Limited**

**Filleted Unaudited Financial Statements**

**31 December 2021**

**Spirit Motorcycles Limited**  
**Statement of Financial Position**  
**31 December 2021**

		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Intangible assets	<b>5</b>	148	222
Tangible assets	<b>6</b>	18,255	24,056
Investments	<b>7</b>	1	—
		-----	-----
		18,404	24,278
<b>Current assets</b>			
Debtors	<b>8</b>	93,679	25,185
Cash at bank and in hand		39,099	4,684
		-----	-----
		132,778	29,869
<b>Creditors: amounts falling due within one year</b>	<b>9</b>	168,572	86,237
		-----	-----
<b>Net current liabilities</b>		35,794	56,368
		-----	-----
<b>Total assets less current liabilities</b>		( 17,390)	( 32,090)
<b>Creditors: amounts falling due after more than one year</b>	<b>10</b>	31,013	30,917
<b>Provisions</b>		3,188	355
		-----	-----
<b>Net liabilities</b>		( 51,591)	( 63,362)
		-----	-----
<b>Capital and reserves</b>			
Called up share capital		1,195	1,111
Share premium account		223,829	148,913
Profit and loss account		( 276,615)	( 213,386)
		-----	-----
<b>Shareholders deficit</b>		( 51,591)	( 63,362)
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These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

# **Spirit Motorcycles Limited**

## **Statement of Financial Position** *(continued)*

**31 December 2021**

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These financial statements were approved by the board of directors and authorised for issue on 28 September 2022 , and are signed on behalf of the board by:

Mr R McDonagh

Director

Company registration number: 10275074

# Spirit Motorcycles Limited

## Notes to the Financial Statements

Year ended 31 December 2021

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### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 44 Sea King Road, Lynx Trading Estate, Yeovil, Somerset, BA20 2NZ.

### 2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

## **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Patents, trademarks and  
licences - 20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

## **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

## **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery - 20% straight line

## **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

## **Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

### **Investments in joint ventures**

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### **4. Employee numbers**

The average number of persons employed by the company during the year amounted to 1 (2020: 1 ).

#### **5. Intangible assets**

	<b>Patents, trademarks and licences £</b>
<b>Cost</b>	
<b>At 1 January 2021 and 31 December 2021</b>	370
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<b>Amortisation</b>	
At 1 January 2021	148
Charge for the year	74
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<b>At 31 December 2021</b>	222
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<b>Carrying amount</b>	
<b>At 31 December 2021</b>	148
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At 31 December 2020	222
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## 6. Tangible assets

	Plant and machinery	Motor vehicles	Total
	£	£	£
<b>Cost</b>			
At 1 January 2021	21,641	9,166	30,807
Additions	2,950	—	2,950
Transfers	9,166	( 9,166)	—
	-----	-----	-----
<b>At 31 December 2021</b>	<b>33,757</b>	<b>—</b>	<b>33,757</b>
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<b>Depreciation</b>			
At 1 January 2021	6,751	—	6,751
Charge for the year	8,751	—	8,751
	-----	-----	-----
<b>At 31 December 2021</b>	<b>15,502</b>	<b>—</b>	<b>15,502</b>
	-----	-----	-----
<b>Carrying amount</b>			
<b>At 31 December 2021</b>	<b>18,255</b>	<b>—</b>	<b>18,255</b>
	-----	-----	-----
At 31 December 2020	14,890	9,166	24,056
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## 7. Investments

	Shares in group undertakings
	£
<b>Cost</b>	
At 1 January 2021	—
Additions	1
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<b>At 31 December 2021</b>	<b>1</b>
	----
<b>Impairment</b>	
<b>At 1 January 2021 and 31 December 2021</b>	<b>—</b>
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<b>Carrying amount</b>	
<b>At 31 December 2021</b>	<b>1</b>
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At 31 December 2020	—
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## 8. Debtors

	2021	2020
	£	£
Trade debtors	18,679	25,033
Other debtors	75,000	152
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	<b>93,679</b>	<b>25,185</b>
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## 9. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	4,083	4,083
Trade creditors	10,999	15,121
Social security and other taxes	867	—
Other creditors	152,623	67,033



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168,572  
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86,237  
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**10. Creditors: amounts falling due after more than one year**

	2021	2020
	£	£
Bank loans and overdrafts	31,013	30,917
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**11. Director's advances, credits and guarantees**

During the year the director entered into the following advances and credits with the company:

	2021		
	Balance	Advances/ (credits) to the	Balance
	brought forward	director	outstanding
	£	£	£
Mr R McDonagh	( 10,273)	( 14,969)	( 25,242)
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	2020		
	Balance brought	Advances/ (credits) to the	Balance
	forward	director	outstanding
	£	£	£
Mr R McDonagh	( 1,400)	( 8,873)	( 10,273)
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**12. Related party transactions**

Intrinseca Limited is a company controlled by the director and close relative. At the year end, the company had a loan due from the above related party for £61,982 (2020 - £52,500). This is interest free and repayable on demand. Talon Engineering Limited is a wholly owned subsidiary of Spirit Interco Limited which in turn is wholly owned by Spirit Motorcycles Limited . An inter company loan due from Talon Engineering was extended during the year for £64,439.37 (2020 - Nil). This loan is interest free and repayable on demand. Spirit Interco Limited is a wholly owned subsidiary of Spirit Motorcycles Limited . An inter company loan was extended to Spirit Interco during the year for £75,000 (2020 - Nil). This loan is interest free and repayable on demand.

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