

REGISTERED NUMBER: SC279021 (Scotland)

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2016 TO 30 DECEMBER 2016
FOR
ECOSSE MOTORCYCLES LTD

ECOSSE MOTORCYCLES LTD (REGISTERED NUMBER: SC279021)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2016 TO 30 DECEMBER 2016**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	4

ECOSSE MOTORCYCLES LTD

COMPANY INFORMATION

FOR THE PERIOD 1 JANUARY 2016 TO 30 DECEMBER 2016

DIRECTOR: M C Marshall

SECRETARY: A Marshall

REGISTERED OFFICE: Maranisam House
Boysack Mill
Nr. Friockheim
Angus
DD11 4RX

REGISTERED NUMBER: SC279021 (Scotland)

ACCOUNTANTS: Friend & Grant Ltd
Bryant House
Bryant Road
Strood
Rochester
Kent
ME2 3EW

BALANCE SHEET
30 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
FIXED ASSETS					
Intangible assets	5		-		-
Tangible assets	6		93,365		309,351
Investment property	7		350,000		-
			443,365		309,351
CURRENT ASSETS					
Stocks		749,413		630,424	
Debtors	8	44,363		35,826	
Cash at bank and in hand		1,315		17,612	
		795,091		683,862	
CREDITORS					
Amounts falling due within one year	9	626,029		579,975	
NET CURRENT ASSETS			169,062		103,887
TOTAL ASSETS LESS CURRENT LIABILITIES			612,427		413,238
CREDITORS					
Amounts falling due after more than one year	10		(226,555)		(142,852)
PROVISIONS FOR LIABILITIES			(11,491)		(9,722)
NET ASSETS			374,381		260,664
CAPITAL AND RESERVES					
Called up share capital			5,000		5,000
Non distributable reserve			113,441		-
Capital redemption reserve			3,000		3,000
Retained earnings			252,940		252,664
SHAREHOLDERS' FUNDS			374,381		260,664

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 30 December 2016.

The members have not required the company to obtain an audit of its financial statements for the period ended 30 December 2016 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

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

BALANCE SHEET - continued
30 DECEMBER 2016

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

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

The financial statements were approved by the director on 11 October 2017 and were signed by:

M C Marshall - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2016 TO 30 DECEMBER 2016

1. **STATUTORY INFORMATION**

Ecosse Motorcycles Ltd is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, including Section 1A, and the Companies Act 2006. There are no material departures from FRS 102.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The company has transferred from previously extant UK GAAP to FRS 102 as at 1 January 2015. The transition has not resulted in any presentational changes and there has been no impact on the reported financial position and financial performance.

Transition to FRS 102

This is the first year that the company has presented its financial statements under FRS 102. There were no changes to the previously stated equity at 1 January 2015 or 1 January 2016 as a result of the transition and no changes to the profit previously reported for the year ended 31 December 2015.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable from the sale of goods or exchange of services, excluding discounts, rebates, value added tax and other sales taxes. Turnover is not recognised when goods or services are exchanged for goods or services that are of a similar nature and value or when the transaction lacks commercial substance.

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

The percentage of completion method is used to calculate the revenue recognised at the period end.

Turnover from the rendering of services is recognised when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2005, has been fully amortised over its estimated useful life of 10 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2016 TO 30 DECEMBER 2016

3. 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.

Freehold property	- 2% on cost
Leasehold improvements	- 25% on reducing balance
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Investment property is included at fair value. Valuations are carried out annually by the directors based on:

- how the market could be expected to price the asset
- measuring the risk return factors inherent in the asset

Gains are recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold. No depreciation is provided in respect of investment properties.

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax 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 period 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.

Hire purchase and leasing commitments

Assets held under finance lease and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Employee benefits

The company recognises a provision for annual leave accrued by employees as a result of services rendered in current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2016 TO 30 DECEMBER 2016

3. ACCOUNTING POLICIES - continued

Financial instruments

Basic financial assets/liabilities including trade and other receivables/payables, cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction (loan over period of time) where the transaction is measured at present value of the future receipts discounted at a market rate of interest. Such assets/liabilities are subsequently carried at amortised cost using the effective interest method.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 16 (2015 - 16) .

5. INTANGIBLE FIXED ASSETS

Goodwill
£

COST

At 1 January 2016
and 30 December 2016

80,000

AMORTISATION

At 1 January 2016
and 30 December 2016

80,000

NET BOOK VALUE

At 30 December 2016
At 31 December 2015

-
-

6. TANGIBLE FIXED ASSETS

Freehold property £	Leasehold improvements £	Plant and machinery £
---------------------------	--------------------------------	-----------------------------

COST

At 1 January 2016
Additions
Reclassification/transfer
At 30 December 2016

296,157	33,037	69,702
-	763	24,535
(296,157)	-	-
-	33,800	94,237

DEPRECIATION

At 1 January 2016
Charge for period
Eliminated on disposal
Reclassification/transfer
At 30 December 2016

59,598	7,253	41,883
-	4,391	13,089
-	-	-
(59,598)	-	-
-	11,644	54,972

NET BOOK VALUE

At 30 December 2016
At 31 December 2015

-	22,156	39,265
236,559	25,784	27,819

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2016 TO 30 DECEMBER 2016

6. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2016	25,099	17,204	441,199
Additions	24,303	-	49,601
Disposals	(1,887)	-	(1,887)
Reclassification/transfer	-	-	(296,157)
At 30 December 2016	<u>47,515</u>	<u>17,204</u>	<u>192,756</u>
DEPRECIATION			
At 1 January 2016	14,711	8,403	131,848
Charge for period	8,447	2,200	28,127
Eliminated on disposal	(986)	-	(986)
Reclassification/transfer	-	-	(59,598)
At 30 December 2016	<u>22,172</u>	<u>10,603</u>	<u>99,391</u>
NET BOOK VALUE			
At 30 December 2016	<u>25,343</u>	<u>6,601</u>	<u>93,365</u>
At 31 December 2015	<u>10,388</u>	<u>8,801</u>	<u>309,351</u>

7. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
Revaluations	113,441
Reclassification/transfer	236,559
At 30 December 2016	<u>350,000</u>
NET BOOK VALUE	
At 30 December 2016	<u>350,000</u>

From 1 January 2016 the director decided to rent out the freehold property on a permanent basis. As a result the property has now been reclassified as an investment property.

Cost or valuation at 30 December 2016 is represented by:

	£
Valuation in 2016	113,441
Cost	236,559
	<u>350,000</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	17,550	5,553
Other debtors	26,813	30,273
	<u>44,363</u>	<u>35,826</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2016 TO 30 DECEMBER 2016

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts	55,412	19,848
Hire purchase contracts	6,149	2,648
Trade creditors	378,563	353,214
Taxation and social security	102,755	112,459
Other creditors	83,150	91,806
	<u>626,029</u>	<u>579,975</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Bank loans	213,576	139,069
Hire purchase contracts	12,979	3,783
	<u>226,555</u>	<u>142,852</u>

Included within creditors: amounts falling due after more than one year are bank loans with £50,484 (2015 : £52,823) repayable after five years and payable by installments.

11. SECURED DEBTS

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank overdraft	17,462	-
Bank loans	251,526	158,917
	<u>268,988</u>	<u>158,917</u>

The bank loan and overdraft are secured by a fixed and floating charge over the assets of the company and by a personal guarantee from Mr M Marshall.

12. OTHER FINANCIAL COMMITMENTS

Total financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £140,000 (2015: £175,000). This all relates to rental on a leased property which expires in December 2020.

13. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the period ended 30 December 2016 and the year ended 31 December 2015:

	2016	2015
	£	£
M C Marshall		
Balance outstanding at start of period	(69,775)	(76,997)
Amounts advanced	18,393	7,222
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>(51,382)</u>	<u>(69,775)</u>

The loan from the director is unsecured, interest free and repayable on demand.

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.