

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2021
FOR
ECOSSE MOTORCYCLES LTD**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2021**

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

ECOSSE MOTORCYCLES LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 DECEMBER 2021**

DIRECTOR: M C Marshall

SECRETARY: A Marshall

REGISTERED OFFICE: 8 Craigshaw Place
West Tullos
Aberdeenshire
AB12 3AH

REGISTERED NUMBER: SC279021 (Scotland)

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

BALANCE SHEET
30 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	5	-	-	-	-
Tangible assets	6	111,866		122,176	
Investment property	7	350,000		350,000	
		<u>461,866</u>		<u>472,176</u>	
CURRENT ASSETS					
Stocks		1,063,793		972,955	
Debtors	8	191,084		161,843	
Cash at bank and in hand		1,819		6,937	
		<u>1,256,696</u>		<u>1,141,735</u>	
CREDITORS					
Amounts falling due within one year	9	<u>1,227,298</u>		<u>1,070,968</u>	
NET CURRENT ASSETS			<u>29,398</u>		<u>70,767</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>491,264</u>		<u>542,943</u>
CREDITORS					
Amounts falling due after more than one year	10		(280,970)		(342,126)
PROVISIONS FOR LIABILITIES			<u>(11,943)</u>		<u>(14,750)</u>
NET ASSETS			<u>198,351</u>		<u>186,067</u>

BALANCE SHEET - continued
30 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
CAPITAL AND RESERVES					
Called up share capital			5,000		5,000
Non distributable reserve			113,441		113,441
Capital redemption reserve			3,000		3,000
Retained earnings			76,910		64,626
SHAREHOLDERS' FUNDS			<u>198,351</u>		<u>186,067</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 December 2021 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
- (b) 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.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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 and authorised for issue on 27 September 2022 and were signed by:

M C Marshall - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2021**

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 DECEMBER 2021

3. ACCOUNTING POLICIES - continued

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.

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.

Leasehold improvements	- 15% on cost
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 year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 DECEMBER 2021

3. ACCOUNTING POLICIES - continued

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.

Pension costs and other post-retirement benefits

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

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.

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 year was 17 (2020 - 18) .

5. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 31 December 2020	
and 30 December 2021	<u>80,000</u>
AMORTISATION	
At 31 December 2020	
and 30 December 2021	<u>80,000</u>
NET BOOK VALUE	
At 30 December 2021	<u>-</u>
At 30 December 2020	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 DECEMBER 2021

6. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 31 December 2020	92,585	64,838	34,163	39,034	230,620
Additions	-	5,484	3,491	-	8,975
At 30 December 2021	<u>92,585</u>	<u>70,322</u>	<u>37,654</u>	<u>39,034</u>	<u>239,595</u>
DEPRECIATION					
At 31 December 2020	13,890	52,037	21,218	21,299	108,444
Charge for year	6,172	4,571	4,108	4,434	19,285
At 30 December 2021	<u>20,062</u>	<u>56,608</u>	<u>25,326</u>	<u>25,733</u>	<u>127,729</u>
NET BOOK VALUE					
At 30 December 2021	<u>72,523</u>	<u>13,714</u>	<u>12,328</u>	<u>13,301</u>	<u>111,866</u>
At 30 December 2020	<u>78,695</u>	<u>12,801</u>	<u>12,945</u>	<u>17,735</u>	<u>122,176</u>

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

	Motor vehicles £
COST	
At 31 December 2020 and 30 December 2021	<u>23,000</u>
DEPRECIATION	
At 31 December 2020	10,062
Charge for year	3,234
At 30 December 2021	<u>13,296</u>
NET BOOK VALUE	
At 30 December 2021	<u>9,704</u>
At 30 December 2020	<u>12,938</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 DECEMBER 2021

7. INVESTMENT PROPERTY**FAIR VALUE**

At 31 December 2020
 and 30 December 2021

NET BOOK VALUE

At 30 December 2021
 At 30 December 2020

Total
£

350,000**350,000****350,000****8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade debtors	126,714	21,855
Other debtors	64,370	139,988
	<u>191,084</u>	<u>161,843</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts	96,559	131,405
Hire purchase contracts	-	687
Trade creditors	898,853	620,135
Taxation and social security	33,121	76,921
Other creditors	198,765	241,820
	<u>1,227,298</u>	<u>1,070,968</u>

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

	2021	2020
	£	£
Bank loans	<u>280,970</u>	<u>342,126</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>39,024</u>	<u>96,739</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 DECEMBER 2021
11. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank overdrafts	35,404	106,776
Bank loans	<u>342,125</u>	<u>366,755</u>
	<u>377,529</u>	<u>473,531</u>

The bank loan and overdraft are secured by a fixed and floating charge over the assets of the company.

12. OTHER FINANCIAL COMMITMENTS

Total financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £88,750 (2020: £124,250) which all relates to rental on a leased property which expires in November 2024.

13. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 30 December 2021 and 30 December 2020:

	2021 £	2020 £
M C Marshall		
Balance outstanding at start of year	(145,145)	(67,216)
Amounts advanced	11,059	33,071
Amounts repaid	(49,000)	(111,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(183,086)</u>	<u>(145,145)</u>

The loan from the director is unsecured and repayable on demand. Interest was charged on a loan of £50,000 at a rate of 10% per annum.

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.