

**TALON ENGINEERING LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Talon Engineering Limited
Unaudited Financial Statements
For The Year Ended 31 March 2022

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Talon Engineering Limited
Balance Sheet
As at 31 March 2022

Registered number: 01213668

		2022		2021 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	4		558,384		316,834
			558,384		316,834
CURRENT ASSETS					
Stocks		1,474,349		1,115,780	
Debtors	5	1,615,952		1,547,817	
Cash at bank and in hand		60,624		67,154	
		3,150,925		2,730,751	
Creditors: Amounts Falling Due Within One Year	6	(681,191)		(609,037)	
NET CURRENT ASSETS (LIABILITIES)			2,469,734		2,121,714
TOTAL ASSETS LESS CURRENT LIABILITIES			3,028,118		2,438,548
Creditors: Amounts Falling Due After More Than One Year	7	(374,779)		(289,440)	
PROVISIONS FOR LIABILITIES					
Deferred Taxation		(106,093)		(60,198)	
NET ASSETS			2,547,246		2,088,910
CAPITAL AND RESERVES					
Called up share capital		11,523		11,523	
Profit and Loss Account		2,535,723		2,077,387	
SHAREHOLDERS' FUNDS			2,547,246		2,088,910

Talon Engineering Limited
Balance Sheet (continued)
As at 31 March 2022

For the year ending 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr Rod McDonagh

Director

11 November 2022

The notes on pages 3 to 6 form part of these financial statements.

Talon Engineering Limited
Notes to the Financial Statements
For The Year Ended 31 March 2022

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

1.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	15% reducing balance
Motor Vehicles	25% reducing balance

1.4. Stocks and Work in Progress

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 stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

1.5. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.6. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Talon Engineering Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2022

2. Average Number of Employees

	2022	2021
Average number of employees, including directors	35	35
	<u>35</u>	<u>35</u>

3. Intangible Assets

	Goodwill £
Cost	
As at 1 April 2021	11,479
As at 31 March 2022	<u>11,479</u>
Amortisation	
As at 1 April 2021	11,479
As at 31 March 2022	<u>11,479</u>
Net Book Value	
As at 31 March 2022	<u>-</u>
As at 1 April 2021	<u>-</u>

4. Tangible Assets

	Plant & Machinery £	Motor Vehicles £	Total £
Cost			
As at 1 April 2021	1,934,980	100,929	2,035,909
Additions	301,343	-	301,343
Disposals	(7,100)	(32,911)	(40,011)
As at 31 March 2022	<u>2,229,223</u>	<u>68,018</u>	<u>2,297,241</u>
Depreciation			
As at 1 April 2021	1,635,239	83,836	1,719,075
Provided during the period	51,780	3,797	55,577
Disposals	(4,789)	(31,006)	(35,795)
As at 31 March 2022	<u>1,682,230</u>	<u>56,627</u>	<u>1,738,857</u>
Net Book Value			
As at 31 March 2022	<u>546,993</u>	<u>11,391</u>	<u>558,384</u>
As at 1 April 2021	<u>299,741</u>	<u>17,093</u>	<u>316,834</u>

Talon Engineering Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2022

5. Debtors

	2022	2021 as restated
	£	£
Due within one year		
Trade debtors	199,514	306,441
Prepayments and accrued income	9,498	7,400
Other debtors	23,780	20,383
Corporation tax recoverable assets	24,261	-
VAT	67,209	-
Directors' loan accounts	2,681	-
Amounts owed by group undertakings	1,289,009	1,213,593
	<u>1,615,952</u>	<u>1,547,817</u>

6. Creditors: Amounts Falling Due Within One Year

	2022	2021 as restated
	£	£
Trade creditors	149,967	154,567
Bank loans and overdrafts	439,849	323,724
Other taxes and social security	15,225	9,434
VAT	-	132
Net wages	-	254
Other creditors	-	15
Credit card	236	-
Invoice finance facility	54,493	89,031
Accruals and deferred income	21,421	31,880
	<u>681,191</u>	<u>609,037</u>

7. Creditors: Amounts Falling Due After More Than One Year

	2022	2021 as restated
	£	£
Bank loans	374,779	289,440
	<u>374,779</u>	<u>289,440</u>

8. Secured Creditors

Of the creditors falling due within and after more than one year the following amounts are secured.

	2022	2021 as restated
	£	£
Bank loans and overdrafts	818,468	652,195

Talon Engineering Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2022

9. Other Commitments

The total of future minimum lease payments under non-cancellable operating leases are as following:

	Land and buildings		Other	
	2022	2021	2022	2021
	£	£	£	£
Within 1 year	75,000	18,750	3,359	-
Between 1 and 5 years	168,750	243,750	10,358	-
	<u>243,750</u>	<u>262,500</u>	<u>13,717</u>	<u>-</u>

10. Directors Advances, Credits and Guarantees

Included within Debtors are the following loans to directors:

	As at 1 April 2021	Amounts advanced	Amounts repaid	Amounts written off	As at 31 March 2022
	£	£	£	£	£
Mr Rod McDonagh	-	2,681	-	-	2,681

The above loan is unsecured, interest free and repayable on demand.

11. Related Party Transactions

During the year the company maintained a loan with its immediate parent company. The loan is interest free and repayable on demand. At the balance sheet date the amount due to the company was £1,220,596 (2021 - £1,213,593).

The company also maintained a loan with its ultimate parent company. The loan is interest free and repayable on demand. At the balance sheet date the amount due to the company was £68,413 (2021 - £NIL).

12. Ultimate Parent Undertaking and Controlling Party

The company's immediate parent undertaking is Spirit Interco Limited . The ultimate parent undertaking is Spirit Motorcycles Limited which owns 100% of the shares of Spirit Interco Limited .

13. General Information

Talon Engineering Limited is a private company, limited by shares, incorporated in England & Wales, registered number 01213668 . The registered office is 44 Sea King Road, Lynx Trading Estate, Yeovil, Somerset, BA20 2NZ.

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.