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Report of the Directors and
Financial Statements for the Year Ended 30 September 2010
for
MOTOGEAR MARKETING LIMITED

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MOTOGEAR MARKETING LIMITED

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MOTOGEAR MARKETING LIMITED

Company Information
for the Year Ended 30 September 2010

DIRECTORS: M J Telford
Mrs S Telford

SECRETARY: Mrs S Telford

REGISTERED OFFICE: Chandler Way
Parkhouse
Carlisle
Cumbria
CA3 0JY

REGISTERED NUMBER: 1053479

AUDITORS: Tamblyn & Co Limited
Kinnersley House
Kinnersley
Nr Severn Stoke
Worcestershire
WR8 9JR

MOTOGEAR MARKETING LIMITED

Report of the Directors for the Year Ended 30 September 2010

The directors present their report with the financial statements of the company for the year ended 30 September 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of selling and servicing motor vehicles in the United Kingdom

REVIEW OF BUSINESS

The directors have continued to monitor costs within the business with a view to further reducing overheads. At the same time they have endeavoured to stabilise the business slowly coming out of recession. This strategy had resulted in an improvement in profitability over the prior year. The directors remain confident that the company is well positioned to meet all the demands and pressures of the next financial year.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2010

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2009 to the date of this report

M J Telford
Mrs S Telford

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MOTOGEAR MARKETING LIMITED

Report of the Directors
for the Year Ended 30 September 2010

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Tamblyn & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:



M J Telford - Director

Date 1/3/2011

**Report of the Independent Auditors to the Shareholders of
Motogear Marketing Limited**

We have audited the financial statements of Motogear Marketing Limited for the year ended 30 September 2010 on pages six to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

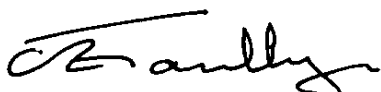
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Shareholders of
Motogear Marketing 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, 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



S E Tamblyn (Senior Statutory Auditor)
for and on behalf of Tamblyn & Co Limited
Kinnersley House
Kinnersley
Nr Severn Stoke
Worcestershire
WR8 9JR

Date 4th March 2011

MOTOGear MARKETING LIMITED

Profit and Loss Account
for the Year Ended 30 September 2010

	Notes	2010 £	2009 £
TURNOVER		15,962,587	14,188,032
Cost of sales		14,676,294	12,843,687
GROSS PROFIT		1,286,293	1,344,345
Administrative expenses		1,212,989	1,287,430
OPERATING PROFIT	3	73,304	56,915
Interest payable and similar charges	4	35,650	46,589
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		37,654	10,326
Tax on profit on ordinary activities	5	17,198	6,395
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		20,456	3,931

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements

MOTOGEAR MARKETING LIMITED

Statement of Total Recognised Gains and Losses
for the Year Ended 30 September 2010

	2010	2009
	£	£
PROFIT FOR THE FINANCIAL YEAR	20,456	3,931
Revaluation of leasehold land & building	<u> </u>	<u> </u>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>20,456</u>	<u>3,931</u>

Note of Historical Cost Profits and Losses
for the Year Ended 30 September 2010

	2010	2009
	£	£
REPORTED PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	37,654	10,326
Revaluation of leasehold land & building	<u>-</u>	<u>231,162</u>
HISTORICAL COST PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>37,654</u>	<u>241,488</u>
HISTORICAL COST PROFIT		
FOR THE YEAR RETAINED AFTER TAXATION	<u>20,456</u>	<u>235,093</u>

The notes form part of these financial statements

MOTOGEAR MARKETING LIMITED

Balance Sheet
30 September 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	6	1,046,231	1,105,103
CURRENT ASSETS			
Stocks	7	1,067,011	974,179
Debtors	8	1,103,701	1,299,194
Cash in hand		502	253
		<u>2,171,214</u>	<u>2,273,626</u>
CREDITORS			
Amounts falling due within one year	9	<u>1,490,913</u>	<u>1,589,779</u>
NET CURRENT ASSETS		<u>680,301</u>	<u>683,847</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,726,532</u>	<u>1,788,950</u>
CREDITORS			
Amounts falling due after more than one year	10	<u>694,387</u>	<u>777,261</u>
NET ASSETS		<u><u>1,032,145</u></u>	<u><u>1,011,689</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	4,400	4,400
Other reserves	14	231,162	231,162
Profit and loss account	14	796,583	776,127
SHAREHOLDERS' FUNDS	17	<u><u>1,032,145</u></u>	<u><u>1,011,689</u></u>

The financial statements were approved by the Board of Directors on 1st March 2011 and were signed on its behalf by



M J Telford - Director

The notes form part of these financial statements

MOTOGear MARKETING LIMITED

Cash Flow Statement
for the Year Ended 30 September 2010

	Notes	2010 £	2009 £
Net cash inflow from operating activities	1	92,295	490,891
Returns on investments and servicing of finance	2	(35,650)	(46,589)
Taxation		(6,395)	-
Capital expenditure	2	(4,546)	(20,002)
		45,704	424,300
Financing	2	(82,874)	(6,983)
(Decrease)/Increase in cash in the period		(37,170)	417,317
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		(37,170)	417,317
Cash outflow from decrease in debt		82,874	6,983
Change in net debt resulting from cash flows		45,704	424,300
Movement in net debt in the period		45,704	424,300
Net debt at 1 October		(1,049,732)	(1,474,032)
Net debt at 30 September		(1,004,028)	(1,049,732)

The notes form part of these financial statements

MOTOGEAR MARKETING LIMITED

Notes to the Cash Flow Statement
for the Year Ended 30 September 2010

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010	2009
	£	£
Operating profit	73,304	56,915
Depreciation charges	63,418	84,473
Loss on disposal of fixed assets	-	631
(Increase)/Decrease in stocks	(92,832)	739,979
Decrease/(Increase) in debtors	186,225	(508,573)
(Decrease)/Increase in creditors	(137,820)	117,466
	<u>92,295</u>	<u>490,891</u>
Net cash inflow from operating activities	<u><u>92,295</u></u>	<u><u>490,891</u></u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2010	2009
	£	£
Returns on investments and servicing of finance		
Interest paid	(35,650)	(46,589)
	<u>(35,650)</u>	<u>(46,589)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(35,650)</u></u>	<u><u>(46,589)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(4,546)	(20,952)
Sale of tangible fixed assets	-	950
	<u>(4,546)</u>	<u>(20,002)</u>
Net cash outflow for capital expenditure	<u><u>(4,546)</u></u>	<u><u>(20,002)</u></u>
Financing		
Loan repayments in year	(82,874)	(6,983)
	<u>(82,874)</u>	<u>(6,983)</u>
Net cash outflow from financing	<u><u>(82,874)</u></u>	<u><u>(6,983)</u></u>

The notes form part of these financial statements

MOTOGEAR MARKETING LIMITED

Notes to the Cash Flow Statement
for the Year Ended 30 September 2010

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.09 £	Cash flow £	At 30.9.10 £
Net cash			
Cash at bank and in hand	253	249	502
Bank overdraft	(189,847)	(37,419)	(227,266)
	<u>(189,594)</u>	<u>(37,170)</u>	<u>(226,764)</u>
Debt			
Debts falling due within one year	(82,877)	-	(82,877)
Debts falling due after one year	(777,261)	82,874	(694,387)
	<u>(860,138)</u>	<u>82,874</u>	<u>(777,264)</u>
Total	<u>(1,049,732)</u>	<u>45,704</u>	<u>(1,004,028)</u>

The notes form part of these financial statements

MOTOGear MARKETING LIMITED

Notes to the Financial Statements for the Year Ended 30 September 2010

1 ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Leasehold Land & Building	- 2% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 20% on cost

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

2 STAFF COSTS

	2010	2009
	£	£
Wages and salaries	643,814	662,428

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

2010	2009
29	30

MOTOGEAR MARKETING LIMITED

Notes to the Financial Statements - continued
for the Year Ended 30 September 2010

3 OPERATING PROFIT

The operating profit is stated after charging

	2010	2009
	£	£
Depreciation - owned assets	63,418	84,473
Loss on disposal of fixed assets	-	631
Auditors' remuneration	3,000	3,000
	<u>25,000</u>	<u>25,000</u>
Directors' remuneration	<u>25,000</u>	<u>25,000</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
Interest on demonstrator loan	<u>35,650</u>	<u>46,589</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2010	2009
	£	£
Current tax		
UK corporation tax	17,198	15,663
Refund prior year	-	(9,268)
	<u>17,198</u>	<u>6,395</u>
Tax on profit on ordinary activities	<u>17,198</u>	<u>6,395</u>

MOTOGEAR MARKETING LIMITED

Notes to the Financial Statements - continued
for the Year Ended 30 September 2010

6 TANGIBLE FIXED ASSETS

	Leasehold Land & Building £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 October 2009	1,058,435	181,737	255,603	17,306	1,513,081
Additions	-	-	4,546	-	4,546
At 30 September 2010	1,058,435	181,737	260,149	17,306	1,517,627
DEPRECIATION					
At 1 October 2009	150,906	124,623	119,444	13,005	407,978
Charge for year	21,169	11,549	27,232	3,468	63,418
At 30 September 2010	172,075	136,172	146,676	16,473	471,396
NET BOOK VALUE					
At 30 September 2010	886,360	45,565	113,473	833	1,046,231
At 30 September 2009	907,529	57,114	136,159	4,301	1,105,103

Cost or valuation at 30 September 2010 is represented by

	Leasehold Land & Building £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2008	231,162	-	-	-	231,162
Cost	827,273	181,737	260,149	17,306	1,286,465
	1,058,435	181,737	260,149	17,306	1,517,627

If the long leasehold had not been revalued it would have been included at the following historical cost

	2010 £	2009 £
Cost	827,272	827,272
Aggregate depreciation	172,075	150,906

Leasehold Land and Buildings were valued on an open market basis on 1 October 2008 by Knight Frank LLP

MOTOGear MARKETING LIMITED

Notes to the Financial Statements - continued
for the Year Ended 30 September 2010

7 STOCKS

	2010	2009
	£	£
Finished goods	1,067,011	974,179

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade debtors	322,798	642,548
Other debtors	780,903	647,378
Tax	-	9,268
	1,103,701	1,299,194

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Bank loans and overdrafts (see note 11)	310,143	272,724
Trade creditors	1,101,510	1,198,505
Tax	17,198	15,663
Social security and other taxes	46,893	56,659
Other creditors	(4,656)	(1,314)
Accruals and deferred income	19,825	47,542
	1,490,913	1,589,779

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010	2009
	£	£
Bank loans (see note 11)	510,403	593,277
Other loans (see note 11)	183,984	183,984
	694,387	777,261

MOTOGEAR MARKETING LIMITED

Notes to the Financial Statements - continued for the Year Ended 30 September 2010

11 LOANS

An analysis of the maturity of loans is given below

	2010 £	2009 £
Amounts falling due within one year or on demand		
Bank overdrafts	227,266	189,847
Bank loans	82,877	82,877
	<u>310,143</u>	<u>272,724</u>
Amounts falling due between one and two years		
Other creditors	<u>183,984</u>	<u>183,984</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>316,989</u>	<u>331,508</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	<u>193,414</u>	<u>261,769</u>

12 SECURED DEBTS

The following secured debts are included within creditors

	2010 £	2009 £
Bank overdrafts	227,266	189,847
Bank loans	593,280	676,154
	<u>820,546</u>	<u>866,001</u>

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2010	2009
Number	Class	Nominal value	£	£
4,400	Ordinary	£1	<u>4,400</u>	<u>4,400</u>

MOTOGEAR MARKETING LIMITED

Notes to the Financial Statements - continued for the Year Ended 30 September 2010

14 RESERVES

	Profit and loss account £	Other reserves £	Totals £
At 1 October 2009	776,127	231,162	1,007,289
Profit for the year	20,456		20,456
	<hr/>	<hr/>	<hr/>
At 30 September 2010	796,583	231,162	1,027,745
	<hr/>	<hr/>	<hr/>

15 CONTINGENT LIABILITIES

There is a cross guarantee between the Company and M J Telford Limited in respect of bank indebtedness. In the event of default by M J Telford Limited the company would become liable.

16 TRANSACTIONS WITH DIRECTORS

Mr M J Telford lent the company a total of £179,829 in the year 2000 to partly finance the building of a new motor dealership showroom. In 2010 no interest was paid and no repayments were made. The loan is expected to be repayable over a long period.

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit for the financial year	20,456	3,931
	<hr/>	<hr/>
Net addition to shareholders' funds	20,456	3,931
Opening shareholders' funds	1,011,689	1,007,758
	<hr/>	<hr/>
Closing shareholders' funds	1,032,145	1,011,689
	<hr/>	<hr/>