

MOTOGEAR MARKETING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2001

Registered Number : 1053479



MOTOGEAR MARKETING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001

CONTENTS

	Page
Company Information	1
Directors' Report	2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes	6

The following page does not form part of the statutory accounts

Detailed Trading and Profit and Loss Account	Appendix 1
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MOTOGear MARKETING LIMITED

COMPANY INFORMATION

30 SEPTEMBER 2001

NUMBER

1053479

DIRECTORS

M J Telford
Mrs S Telford

AUDITOR

Susan E Tamblyn
Kinnersley House
Kinnersley
Nr Severn Stoke
Worcestershire
WR8 9JR

MOTOGEAR MARKETING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2001

The Directors present their Report and the audited Financial Statements for the year ended 30 September 2001.

Principal Activity

The principal activity of the company is that of selling and servicing motor vehicles in the United Kingdom.

Directors

The Directors of the company during the year and their interests in the shares, of the Company as recorded in the Register of Directors' Interests were as follows.

	Ordinary Shares 2001	Ordinary Shares 2000
M J Telford	3,000	3,000
Mrs S Telford	1,000	1,000

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Mrs S Tamblyn be re-appointed as auditor will be put to the Annual General Meeting.

Small Company Exemptions

This Report is prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies.

Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which 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 those financial statements, the Directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which 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 1985. 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.

On behalf of the Board

M J Telford
Director



14/3/02

MOTOGear MARKETING LIMITED
AUDITORS' REPORT

Independent Auditors' Report to the Members of Motogear Marketing Limited

I have audited the financial statements of Motogear Marketing Limited for the year ended 30 September 2001. These financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors.

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Accounting Standards.

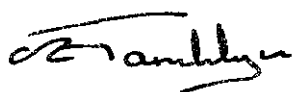
I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you if, in my opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if I have not received all the information and explanations I require for my audit or if information specified by law regarding directors' remuneration and transactions with the company are not disclosed.

Basis of Opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

Opinion

In my opinion the annual report and accounts give a true and fair view of the state of the Company's affairs as at 30 September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Susan E Tambllyn
Chartered Accountant and
Registered Auditor

21/3/02

MOTOGear MARKETING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Notes	2001 £	2000 £
Turnover	2	4,814,383	2,884,900
Cost of Sales		<u>(4,323,658)</u>	<u>(2,576,607)</u>
Gross Profit		490,725	308,293
Administrative Expenses		<u>(379,363)</u>	<u>(247,886)</u>
Operating Profit	4	111,362	60,407
Investment Income		-	-
Interest Payable and similar charges	3	<u>(56,278)</u>	<u>(45,069)</u>
Profit on Ordinary Activities before Taxation		55,084	15,338
Taxation	5	<u>(13,679)</u>	<u>(2,594)</u>
Retained Profit for the year		<u>41,405</u>	<u>12,744</u>

Movements in reserves are shown in Note 11.

MOTOGEAR MARKETING LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2001

	Notes	£	2001 £	£	2000 £
Fixed Assets					
Tangible Assets	6		548,957		563,851
Current Assets					
Stocks	7	429,619		425,843	
Debtors	8	325,331		217,227	
Cash at Bank and In-Hand		<u>2,084</u>		<u>762</u>	
		757,034		643,832	
Creditors: Amounts falling due within one year	9	<u>(650,950)</u>		<u>(564,904)</u>	
Net Current Liabilities/Assets			106,084		78,928
Creditors: Amounts falling due after more than one year	10		<u>(443,984)</u>		<u>(473,127)</u>
			<u>211,057</u>		<u>169,652</u>
Capital and Reserves					
Share Capital	11		4,400		4,400
Profit and Loss Account			<u>206,657</u>		<u>165,252</u>
Total Shareholders' Funds			<u>211,057</u>		<u>169,652</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities.

The financial statements on Pages 4 to 9 were approved by the Board of Directors on 15 March 2002 and signed on its behalf by:

M J Telford
Director



MOTOGear MARKETING LIMITED

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2001

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities.

Cash Flow

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the Company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and Machinery	20% on reducing balance
Fixtures and fittings	20% on reducing balance
Leasehold land and buildings	2% 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. Cost is computed on a first in first out basis.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that the taxation liability is expected to crystallise in the near future.

2. Turnover

In the opinion of the Directors, none of the turnover of the Company is attributable to geographical markets outside the UK (2000: Nil).

3. Interest Payable

	2001 £	2000 £
Interest payable	<u>56,278</u>	<u>45,069</u>

MOTOGear MARKETING LIMITED

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2001 (Cont'd)

4. Operating Profit

	2001 £	2000 £
Operating profit is stated after charging:		
Auditors Remuneration	<u>1,500</u>	<u>1,500</u>
Depreciation of Tangible Fixed Assets (Note 6)		
Owned Assets	24,457	10,935
Assets under Hire Purchase Contracts	<u>-</u>	<u>-</u>
Directors' Remuneration	<u>-</u>	<u>-</u>

5. Taxation

	2001 £	2000 £
Corporation tax on profits on ordinary activities at 20%	<u>13,679</u>	<u>2,594</u>

6. Tangible Fixed Assets

	Land & Buildings £	Plant Machinery £	Fixtures & Fittings £	Total £
Cost				
1 October 2000	541,507	44,491	15,555	601,553
Additions	2,800	5,788	975	9,563
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 September 2001	<u>544,307</u>	<u>50,279</u>	<u>16,530</u>	<u>611,116</u>
Depreciation				
1 October 2000	10,292	20,547	6,863	37,702
Charge for year	16,235	6,583	1,639	24,457
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 September 2001	<u>26,527</u>	<u>27,130</u>	<u>8,502</u>	<u>62,159</u>
Net Book Value				
30 September 2001	<u>517,780</u>	<u>23,149</u>	<u>8,028</u>	<u>548,957</u>
Net Book Value				
30 September 2000	<u>531,215</u>	<u>23,944</u>	<u>8,692</u>	<u>563,851</u>

MOTOGear MARKETING LIMITED

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2001 (Cont'd)

7. Stocks

	2001 £	2000 £
Stocks	<u>429,619</u>	<u>425,843</u>

8. Debtors: Amounts falling due within one year:

	2001 £	2000 £
Trade Debtors	201,566	133,128
Other Debtors	<u>123,765</u>	<u>84,099</u>
	<u>325,331</u>	<u>217,227</u>

9. Creditors: Amounts falling due within one year

	2001 £	2000 £
Trade Creditors	173,469	85,196
Other creditors	240,804	192,487
Taxation and social security	51,411	8,769
Bank loans and overdraft (secured)	<u>185,266</u>	<u>278,452</u>
	<u>650,950</u>	<u>564,904</u>

10. Creditors: Amounts falling due after more than one year

	2001 £	2000 £
Directors loan account	193,984	203,127
Bank loans and overdraft	<u>250,000</u>	<u>270,000</u>
	<u>443,984</u>	<u>473,127</u>
Debt due after more than one year:		
Repayable between one and five years	80,000	80,000
Repayable after five years	<u>170,000</u>	<u>190,000</u>
	<u>250,000</u>	<u>270,000</u>

The bank loan of £300,000 is repayable in annual instalments of £20,000, which commenced in March 2000.

11. Reconciliation of movements in shareholder's funds

	2001 £	2000 £
Profit for the financial year representing a net addition to shareholders' funds	41,405	12,744
Opening shareholders' funds	<u>169,652</u>	<u>156,908</u>
Closing shareholders' funds	<u>211,057</u>	<u>169,652</u>

MOTOGear MARKETING LIMITED

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2001 (Cont'd)

12. Called up Share Capital

	2001 Number of Shares	2001 £	2000 Number of Shares	2000 £
Authorised				
Ordinary shares of £1 each	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>

13. 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 2001 no interest was paid and no repayments were made. The loan is expected to be repayable over a long period.

14. Related Party Transactions

During the year the company purchased goods to the value of £3,323 and sold goods to the value of £565 to M J Telford Limited, a Company in which Mr and Mrs M J Telford are materially interested in as shareholders. The purchases and sales were made on a normal trading basis.

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.