

**MOTOGear MARKETING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 SEPTEMBER 1999**

**Registered Number : 1053479**



**MOTOGEAR MARKETING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

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**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 1999**

**NUMBER**

1053479

**DIRECTORS**

M J Telford  
Mrs S Telford

**AUDITOR**

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

# MOTOGear MARKETING LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 1999

The Directors present their Report and the audited Financial Statements for the year ended 30 September 1999.

### 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 1999	Ordinary Shares 1998
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

*[Signature]* 6 JAN 2000

SECRETARY

## MOTOGEAR MARKETING LIMITED

### AUDITORS' REPORT

#### Auditors' Report to the Members of Motogear Marketing Limited

I have audited the financial statements on Pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on Page 6.

#### Respective Responsibilities of Directors' and Auditors'

As described on Page 2, the Company's Directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

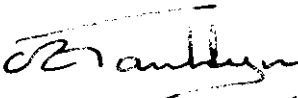
#### Basis of Opinion

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 judgements 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In my opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Susan E Tamblyn  
Chartered Accountant and  
Registered Auditor  
20th January 2000

**MOTOGear MARKETING LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

	Notes	1999 £	1998 £
<b>Turnover</b>	2	1,560,330	1,411,870
Cost of Sales		<u>1,393,831</u>	<u>1,253,362</u>
<b>Gross Profit</b>		166,499	158,508
<b>Net Operating Expenses</b>			
Administrative Expenses		<u>143,931</u>	<u>138,884</u>
<b>Operating Profit</b>	4	22,568	19,624
Investment Income		-	-
Interest Payable and similar charges	3	<u>7,191</u>	<u>13,647</u>
<b>Profit on Ordinary Activities before Taxation</b>		15,377	5,977
Taxation	5	<u>3,603</u>	<u>1,326</u>
<b>Retained Profit for the year</b>		<u>11,774</u>	<u>4,651</u>

Movements in reserves are shown in Note 10.

None of the Company's activities were acquired during the above two financial years.

There are no recognised gains and losses in 1999 or 1998 other than the profit for the Year.

# MOTOGear MARKETING LIMITED

## BALANCE SHEET AS AT 30 SEPTEMBER 1999

	Notes	1999 £	1998 £
<b>Fixed Assets</b>			
Tangible Assets	6	130,842	38,777
<b>Current Assets</b>			
Stocks	7	258,843	226,926
Debtors	8	90,761	118,816
Cash at Bank and In-Hand		-	-
		<u>349,604</u>	<u>345,742</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(309,383)</u>	<u>(225,230)</u>
<b>Net Current Liabilities/Assets</b>		<b>40,221</b>	<b>120,512</b>
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>(14,155)</u>	<u>(14,155)</u>
		<u><b>156,908</b></u>	<u><b>145,134</b></u>
<b>Capital and Reserves</b>			
Share Capital	11	4,400	4,400
Profit and Loss Account		<u>152,508</u>	<u>140,734</u>
<b>Total Shareholders' Funds</b>		<u><b>156,908</b></u>	<u><b>145,134</b></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 and signed on its behalf by:

**M J Telford**  
Director

*[Signature]* 6<sup>th</sup> Jan 2000

**MOTOGear MARKETING LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**1. Accounting Policies**

**Basis of Accounting**

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention.

**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. 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 (1998: Nil).

**3. Interest Payable**

	1999	1998
	£	£
Interest payable	<u>7,191</u>	<u>13,647</u>



# MOTOGear MARKETING LIMITED

## NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1999 (Cont'd)

### 4. Operating Profit

	1999 £	1998 £
Operating profit is stated after charging:		
Auditors Remuneration	<u>1,200</u>	<u>1,200</u>
Depreciation of Tangible Fixed Assets (Note 6)		
Owned Assets	5,064	4,762
Assets under Hire Purchase Contracts	<u>-</u>	<u>-</u>
Directors' Remuneration	<u>-</u>	<u>-</u>

### 5. Taxation

	1999 £	1998 £
Corporation tax on profits on ordinary activities at 21%	<u>3,603</u>	<u>1,326</u>

### 6. Tangible Fixed Assets

	Land & Buildings £	Plant Machinery £	Fixtures & Fittings £	Total £
<b>Cost</b>				
1 October 1998	25,992	21,576	12,912	60,480
Additions	97,129	-	-	97,129
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 September 1999	<u>123,121</u>	<u>21,576</u>	<u>12,912</u>	<u>157,609</u>
<b>Depreciation</b>				
1 October 1998	4,185	11,860	5,658	21,703
Charge for year	528	1,943	2,593	5,064
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 September 1999	<u>4,713</u>	<u>13,803</u>	<u>8,251</u>	<u>26,767</u>
<b>Net Book Value</b>				
30 September 1999	<u>118,408</u>	<u>7,773</u>	<u>4,661</u>	<u>130,842</u>
<b>Net Book Value</b>				
30 September 1998	<u>21,807</u>	<u>9,716</u>	<u>7,254</u>	<u>38,777</u>

**MOTOGear MARKETING LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 SEPTEMBER 1999 (Cont'd)**

<b>6. Stocks</b>		<b>1999</b>		<b>1998</b>
		£		£
Stocks		<u>258,843</u>		<u>226,926</u>
<b>7. Debtors: Amounts falling due within one year:</b>		<b>1999</b>		<b>1998</b>
		£		£
Trade Debtors		61,936		79,986
Other Debtors		<u>28,825</u>		<u>38,830</u>
		<u>90,761</u>		<u>118,816</u>
<b>8. Creditors: Amounts falling due within one year</b>		<b>1999</b>		<b>1998</b>
		£		£
Trade Creditors		86,045		100,367
Other creditors, including taxation and social security costs of £5,522 (1998: £3,292)		125,891		39,906
Bank overdraft		<u>97,447</u>		<u>84,957</u>
		<u>309,383</u>		<u>225,230</u>
<b>9. Creditors: Amounts falling due after more than one year</b>		<b>1999</b>		<b>1998</b>
		£		£
Obligations due under finance leases		<u>14,155</u>		<u>14,155</u>
<b>10. Reconciliation of movements in shareholder's funds</b>		<b>1999</b>		<b>1998</b>
		£		£
Profit for the financial year representing a net addition to shareholders' funds		11,774		4,651
Opening shareholders' funds		<u>145,134</u>		<u>140,483</u>
Closing shareholders' funds		<u>156,908</u>		<u>145,134</u>
<b>11. Called up Share Capital</b>		<b>1999</b>	<b>1998</b>	<b>1998</b>
	<b>Number of</b>	<b>£</b>	<b>Number of</b>	<b>£</b>
	<b>Shares</b>		<b>Shares</b>	
<b>Authorised</b>				
Ordinary shares of £1 each	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>	<u>4,400</u>

**MOTOGear MARKETING LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 SEPTEMBER 1999 (Cont'd)**

**12. Transactions with Directors**

During the year Mr and Mrs Telford received rent of £16,000 from the company.

**13. Related Party Transactions**

During the year the company purchased goods to the value of £15,248 and sold goods to the value of £5,745 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.

**14. 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.

**15. Capital Commitments**

Prior to the year end the company commenced construction of a new motor dealership showroom. The estimated total cost of the project is £500,000 and at the year end some £97,129 had been expended. It is expected that the project will be completed in February 2000.