

MOTOGEAR MARKETING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30<sup>TH</sup> SEPTEMBER 1997

REGISTERED NUMBER: 1053479



**MOTOGear MARKETING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 1997**

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**The following pages do 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<sup>TH</sup> SEPTEMBER 1997**

**NUMBER**

1053479

**DIRECTORS**

M J Telford  
Mrs S Telford

**AUDITOR**

Susan E Tamblyn

# MOTOGEAR MARKETING LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 1997

The directors present their report and the audited financial statements for the year ended 30<sup>th</sup> September 1997.

### 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: -

	30 <sup>th</sup> September 1997	1 <sup>st</sup> October 1996
	Ordinary Shares	Ordinary Shares
M J Telford	3,000	3,000
Mrs S Telford	1,000	1,000

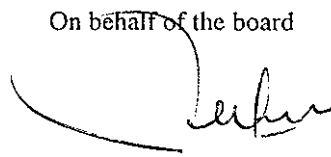
### AUDITORS

The auditor, Susan E Tamblyn, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

### 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.

On behalf of the board



Director  
M J Telford

21<sup>st</sup> January 1998

MOTOGear MARKETING LIMITED

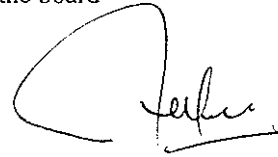
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statement for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, 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 accounts 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 to enable them to ensure that the accounts 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

21st January 1998

**MOTOGEAR MARKETING LIMITED**

**AUDITORS' REPORT**

**FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 1997**

**Auditors' report to the members of**

**Motogear Marketing Limited**

I have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 3, 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.

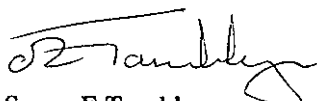
**BASIS OF OPINION**

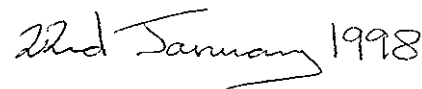
I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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<sup>th</sup> September 1997 and of its profit for the year then ended and have properly prepared in accordance with the Companies Act 1985.

  
Susan E Tamblyn  
Chartered Accountant  
And  
Registered Auditor

 22nd January 1998

**MOTOGEAR MARKETING LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 1997**

	Notes	1997 £	1996 £
Turnover	2	1,834,756	3,065,483
Cost of sales		<u>(1,653,542)</u>	<u>(2,763,233)</u>
Gross Profit		181,214	302,250
Net Operating Expenses			
Administrative Expenses		(151,158)	(214,525)
Other Operating Income		<u>-</u>	<u>-</u>
Operating Profit	3	30,056	85,725
Interest Payable	4	<u>(16,918)</u>	<u>(31,047)</u>
Profit on ordinary activities before taxation		13,138	56,678
Taxation		<u>(2,631)</u>	<u>(13,793)</u>
Profit on ordinary activities after taxation retained for the Year		<u>10,507</u>	<u>42,885</u>

Movements in reserves are shown in note 10.

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses in 1997 or 1996 other than the profit for the year.

**MOTOGear MARKETING LIMITED**

**BALANCE SHEET AS AT 30<sup>TH</sup> SEPTEMBER 1997**

	Notes	1997 £	1997 £	1996 £	1996 £
<b>FIXED ASSETS</b>					
Tangible Assets	5		37,456		34,851
<b>CURRENT ASSETS</b>					
Stocks	6	261,158		398,660	
Debtors	7	27,932		149,707	
Cash at bank and in hand		<u>14</u>		<u>291</u>	
		289,104		548,658	
<b>CREDITORS: amounts falling due within one year</b>	8	<u>172,303</u>		<u>439,759</u>	
<b>Net current assets</b>			116,801		108,899
<b>CREDITORS: Amounts falling due after more than one year</b>	9		<u>13,774</u>		<u>13,774</u>
			140,483		129,976
			=====		=====
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		4,400		4,400
Profit and loss account	12		<u>136,083</u>		<u>125,576</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	9		140,483		129,976
			=====		=====

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 10 were approved by the board of directors on and signed on its behalf by:

*21st January 1998*

  
M J Telford  
Director



**MOTOGear MARKETING LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 1997**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

**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:

Leasehold land and buildings;	2% on cost
Plant and machinery	20% on reducing balance
Fixtures and fittings	20% on reducing balance

**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 tax liabilities are likely to crystallise in the foreseeable future.

**2. TURNOVER**

In the opinion of directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1996 nil)

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	1997	1996
	£	£
Auditors' remuneration	1,200	1,500
	=====	=====
Depreciation of tangible fixed assets (note 5)		
Owened assets	3,895	2,439
	=====	=====

The directors received no remuneration in 1996 or 1997.

**MOTOGEAR MARKETING LIMITED**

**NOTES ON FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 1997**

**4. INTEREST PAYABLE**

	1997	1996
	£	£
Interest payable	16,918	31,047
	<u>=====</u>	<u>=====</u>

**5. TANGIBLE FIXED ASSETS**

	Leasehold <u>Property</u>	Plant and <u>Machinery</u>	Office <u>Equipment</u>	<u>Total</u>
Cost	£	£	£	£
1 <sup>st</sup> October 1996	25,992	16,487	5,418	47,897
Additions	<u>-</u>	<u>-</u>	<u>6,500</u>	<u>6,500</u>
30 <sup>th</sup> September 1997	<u>25,992</u>	<u>16,487</u>	<u>11,918</u>	<u>54,397</u>
<b>Depreciation</b>				
1 <sup>st</sup> October 1996	3,145	7,668	2,233	13,046
Charge for the year	<u>520</u>	<u>1,763</u>	<u>1,612</u>	<u>3,895</u>
30 <sup>th</sup> September 1997	<u>3,665</u>	<u>9,431</u>	<u>3,845</u>	<u>16,941</u>
<b>Net book amount</b>				
30 <sup>th</sup> September 1997	22,327	7,056	8,073	37,456
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
1 <sup>st</sup> October 1996	28,847	8,819	3,185	34,851
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

**6. STOCKS**

	1997	1996
	£	£
Stocks	261,158	398,660
	<u>=====</u>	<u>=====</u>

**7. DEBTORS**

	1997	1996
	£	£
Amounts falling due within one year		
Trade debtors	11,223	117,866
Other debtors	<u>16,709</u>	<u>31,841</u>
	<u>27,932</u>	<u>149,707</u>
	<u>=====</u>	<u>=====</u>

**MOTOGear MARKETING LIMITED**

**NOTES ON FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 1997**

**8. CREDITORS:** Amounts falling due within one year

	1997	1996
	£	£
Trade creditors	8,146	26,690
Bank loans and overdrafts	151,629	216,191
Other creditors	12,528	196,878
	<u>172,303</u>	<u>439,759</u>
	=====	=====

**9. CREDITORS:** Amounts falling due after more than one year

	1997	1996
	£	£
Other creditors	13,774	13,774
	<u>13,774</u>	<u>13,774</u>
	=====	=====

**10. RECONCILIATION** of movements in shareholder's funds

	1997	1996
	£	£
Profit for the financial year representing a net addition to shareholders' funds	10,507	42,885
Opening shareholders' funds	<u>129,976</u>	<u>87,091</u>
Closing shareholders' funds	<u>140,483</u>	<u>129,976</u>
	=====	=====

**11. CALLED UP SHARE CAPITAL**

	1997 Number of shares	1997 £	1996 Number of shares	1996 £
<b>Authorised</b>				
Ordinary shares of £1 each	4,400	4,400	4,400	4,400
	=====	=====	=====	=====
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	4,400	4,400	4,400	4,400
	=====	=====	=====	=====

**MOTOGear MARKETING LIMITED**

**NOTES ON FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 1997**

**12. PROFIT AND LOSS ACCOUNT**

	1997
	£
1 <sup>st</sup> October 1996	125,576
Retained profit for the year	10,507
	<hr/>
30 <sup>th</sup> September 1997	136,083
	<hr/>

**13. DIRECTORS' INTERESTS**

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

**14. RELATED PARTY TRANSACTIONS**

During the year the company purchased goods to the value of £16,338 and sold goods to the value of £51,230 to M J Telford Limited, a company in which Mr M J Telford and Mrs S Telford are materially interested 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.