

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002
FOR
KJM SUPERBIKES LIMITED



KJM SUPERBIKES LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2002**

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KJM SUPERBIKES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2002

DIRECTORS: Keith James Mason
Eileen Mason
Lee Mason

SECRETARY: Eileen Mason

REGISTERED OFFICE: 2a Toogood Lane
Wrightington
Wigan
WN6 9PL

REGISTERED NUMBER: 3237607

AUDITORS: Anderson Advisers
Chartered Accountant
15 Hayhurst Road
Whalley
Lancashire
BB7 9RL

KJM SUPERBIKES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2002

The directors present their report with the financial statements of the company for the year ended 31st December 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of motorcycle retailers and wholesalers.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors are satisfied with the company's performance for the year ended 31st December 2002.

The directors are hopeful of further improving turnover and profitability for the following year.

FIXED ASSETS

Movements in fixed assets are summarised in note 8 to the financial statements .

DIRECTORS

The directors during the year under review were:

Keith James Mason
Eileen Mason
Lee Mason

The beneficial interests of the directors holding office on 31st December 2002 in the issued share capital of the company were as follows:

	31.12.02	1.1.02
Ordinary shares £1 shares		
Keith James Mason	1	1
Eileen Mason	1	1
Lee Mason	-	-

STATEMENT OF 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 to 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.

AUDITORS

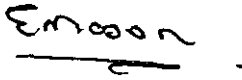
The auditors, Anderson Advisers, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

KJM SUPERBIKES LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



Eileen Mason - SECRETARY

Dated:  24th October 2003

KJM SUPERBIKES LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO
KJM SUPERBIKES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages five to fourteen, together with the full financial statements of the company for the year ended 31st December 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

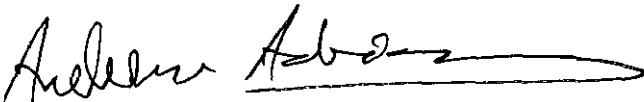
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to fourteen are properly prepared in accordance with that provision.



Anderson Advisers
Chartered Accountant
15 Hayhurst Road
Whalley
Lancashire
BB7 9RL

Dated: 24-10-2003

KJM SUPERBIKES LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2002**

		2002		2001	
	Notes	£	£	£	£
GROSS PROFIT			881,848		826,731
Distribution costs		14,339		23,444	
Administrative expenses		323,119		302,641	
			337,458		326,085
OPERATING PROFIT	3		544,390		500,646
Interest receivable and similar income			12,833		14,516
			557,223		515,162
Interest payable and similar charges	4		158,425		185,115
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			398,798		330,047
Tax on profit on ordinary activities	5		91,621		71,837
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			307,177		258,210
Retained profit brought forward			1,103,082		844,872
RETAINED PROFIT CARRIED FORWARD			£1,410,259		£1,103,082

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

KJM SUPERBIKES LIMITED
ABBREVIATED BALANCE SHEET
31ST DECEMBER 2002

		<u>2002</u>		<u>2001</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		846,955		162,785
CURRENT ASSETS:					
Stocks	7	3,363,578		2,636,099	
Debtors	8	463,918		422,386	
Cash at bank and in hand		(425,847)		307,041	
		3,401,649		3,365,526	
CREDITORS: Amounts falling due within one year	9	2,185,582		2,322,138	
NET CURRENT ASSETS:			1,216,067		1,043,388
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,063,022		1,206,173
CREDITORS: Amounts falling due after more than one year	10		(652,168)		(102,496)
PROVISIONS FOR LIABILITIES AND CHARGES:	12		(593)		(593)
			<u>£1,410,261</u>		<u>£1,103,084</u>
CAPITAL AND RESERVES:					
Called up share capital	13		2		2
Profit and loss account			1,410,259		1,103,082
SHAREHOLDERS' FUNDS:	14		<u>£1,410,261</u>		<u>£1,103,084</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:

K.J. Mason

Keith James Mason - DIRECTOR

E. Mason

Eileen Mason - DIRECTOR

Approved by the Board on ²⁴.....October 2003

The notes form part of these financial statements

KJM SUPERBIKES LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2002**

		2002		2001	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(225,532)		400,337
Returns on investments and servicing of finance	2		(145,592)		(170,599)
Taxation			(122,000)		-
Capital expenditure	2		(693,014)		(1,255)
Equity dividends paid			-		(41,500)
			(1,186,138)		186,983
Financing	2		820,289		221,552
(Decrease)/Increase in cash in the period			£(365,849)		£408,535
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/Increase in cash in the period		(365,849)		408,535	
Cash (inflow)/outflow from (increase)/decrease in debt		(615,167)		18,000	
Change in net debt resulting from cash flows			(981,016)		426,535
Movement in net debt in the period			(981,016)		426,535
Net debt at 1st January			(937,658)		(1,364,193)
Net debt at 31st December			£(1,918,674)		£(937,658)

The notes form part of these financial statements

KJM SUPERBIKES LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2002**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	544,390	500,646
Depreciation charges	8,845	10,355
Increase in stocks	(727,479)	(240,376)
Increase in debtors	(41,534)	(29,795)
(Decrease)/Increase in creditors	(9,754)	159,507
Net cash (outflow)/inflow from operating activities	(225,532)	400,337

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

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	12,833	14,516
Interest paid	(158,425)	(185,115)
Net cash outflow for returns on investments and servicing of finance	(145,592)	(170,599)
Capital expenditure		
Purchase of tangible fixed assets	(693,014)	(1,255)
Net cash outflow for capital expenditure	(693,014)	(1,255)
Financing		
New loan taken out in year	655,000	-
Loan repayments in year	(39,832)	(18,000)
Amount introduced by directors	234,263	301,928
Amount withdrawn by directors	(29,142)	(62,376)
Net cash inflow from financing	820,289	221,552

The notes form part of these financial statements

KJM SUPERBIKES LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2002**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/02 £	Cash flow £	At 31/12/02 £
Net cash:			
Cash at bank and in hand	307,041	(732,888)	(425,847)
Bank overdrafts	(1,124,203)	367,039	(757,164)
	<u>(817,162)</u>	<u>(365,849)</u>	<u>(1,183,011)</u>
Debt:			
Debts falling due within one year	(18,000)	(65,495)	(83,495)
Debts falling due after one year	(102,496)	(549,672)	(652,168)
	<u>(120,496)</u>	<u>(615,167)</u>	<u>(735,663)</u>
Total	<u>(937,658)</u>	<u>(981,016)</u>	<u>(1,918,674)</u>
Analysed in Balance Sheet			
Cash at bank and in hand	307,041		(425,847)
Bank overdrafts	(1,124,203)		(757,164)
Debts falling due within one year	(18,000)		(83,495)
Debts falling due after one year	(102,496)		(652,168)
	<u>(937,658)</u>		<u>(1,918,674)</u>

The notes form part of these financial statements

KJM SUPERBIKES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

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.

Improvements to property	- 20% on reducing balance
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 20% on reducing balance
Computer equipment	- 20% on reducing balance

Stocks

Stock is 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

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3. OPERATING PROFIT

The operating profit is stated after charging:

	2002 £	2001 £
Depreciation - owned assets	8,845	10,355
Directors' emoluments	9,600	33,195

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
Bank interest and charges	70,275	76,054
Other interest	-	2,196
Loan interest	88,150	106,865
	158,425	185,115

KJM SUPERBIKES LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

5. TAXATION

Analysis of the tax charge

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

	2002 £	2001 £
Current tax:		
UK corporation tax	91,621	71,837
	<u>91,621</u>	<u>71,837</u>
Tax on profit on ordinary activities	<u>91,621</u>	<u>71,837</u>

6. TANGIBLE FIXED ASSETS

	Freehold property	Improvements to property	Plant and machinery
	£	£	£
COST:			
At 1st January 2002	121,364	54,478	15,640
Additions	689,273	-	-
	<u>810,637</u>	<u>54,478</u>	<u>15,640</u>
At 31st December 2002	810,637	54,478	15,640
DEPRECIATION:			
At 1st January 2002	-	28,283	8,998
Charge for year	-	5,239	1,328
	<u>-</u>	<u>33,522</u>	<u>10,326</u>
At 31st December 2002	-	33,522	10,326
NET BOOK VALUE:			
At 31st December 2002	<u>810,637</u>	<u>20,956</u>	<u>5,314</u>
At 31st December 2001	<u>121,364</u>	<u>26,195</u>	<u>6,642</u>

KJM SUPERBIKES LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

6. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1st January 2002	-	5,098	19,352	215,932
Additions	2,987	-	754	693,014
At 31st December 2002	2,987	5,098	20,106	908,946
DEPRECIATION:				
At 1st January 2002	-	4,973	10,892	53,146
Charge for year	410	25	1,843	8,845
At 31st December 2002	410	4,998	12,735	61,991
NET BOOK VALUE:				
At 31st December 2002	2,577	100	7,371	846,955
At 31st December 2001	-	125	8,459	162,785

There is an unscheduled mortgage debenture dated 24th April 1997 incorporating a fixed and floating charge over all current and future assets of the company.

7. STOCKS

	2002 £	2001 £
Motorcycles and accessories	3,363,578	2,636,099

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2001 £
Trade debtors	186,615	292,227
Other debtors	96,737	75,159
Prepayments	145,566	-
Debtors	35,000	55,000
	463,918	422,386

KJM SUPERBIKES LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2001 £
Bank loans and overdrafts (see note 11)	840,659	1,142,203
Trade creditors	-	88,772
Directors loan accounts	834,789	629,668
MOTOGB account	65,091	-
V.A.T.	207,834	285,702
Taxation	123,376	153,755
Accrued expenses	113,833	22,038
	<u>2,185,582</u>	<u>2,322,138</u>

**10. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2002 £	2001 £
Bank loans (see note 11)	<u>652,168</u>	<u>102,496</u>

11. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2002 £	2001 £
Amounts falling due within one year or on demand:		
Bank overdrafts	757,164	1,124,203
Bank loans	83,495	18,000
	<u>840,659</u>	<u>1,142,203</u>

Amounts falling due between one and two years:

Bank loans	<u>652,168</u>	<u>102,496</u>
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During the year new premises were purchased with the aid of a loan from the company bankers repayable over ten years and secured upon the premises acquired and guaranteed by the shareholders Mr & Mrs Mason.

12. PROVISIONS FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred taxation	<u>593</u>	<u>593</u>

KJM SUPERBIKES LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

12. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred tax £
Balance at 1st January 2002	593
Balance at 31st December 2002	<u>593</u>

13. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002 £	2001 £
1,000,000	Ordinary shares	£1	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002 £	2001 £
2	Ordinary shares	£1	<u>2</u>	<u>2</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	<u>307,177</u>	<u>258,210</u>
Net addition to shareholders' funds	307,177	258,210
Opening shareholders' funds	<u>1,103,084</u>	<u>844,874</u>
Closing shareholders' funds	<u>1,410,261</u>	<u>1,103,084</u>
Equity interests	<u>1,410,261</u>	<u>1,103,084</u>

15. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr K J Mason who controls the day to day management.