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ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2003
FOR
KJM SUPERBIKES LIMITED



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KJM SUPERBIKES LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2003**

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KJM SUPERBIKES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2003

DIRECTORS: Keith James Mason
Eileen Mason
Lee Mason

SECRETARY: Eileen Mason

REGISTERED OFFICE: 2a Toogood Lane
Wrightington
Wigan
Lancashire
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 2003

The directors present their report with the accounts of the company for the year ended 31st December 2003.

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 accounts.

The directors are satisfied with the company's performance for the year ended 31st December 2003.

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

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2003.

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 2003 in the issued share capital of the company were as follows:

	31.12.03	1.1.03
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.

KJM SUPERBIKES LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

AUDITORS

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

ON BEHALF OF THE BOARD:


.....
Eileen Mason - Secretary

Date:28/10/2004.....

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

We have examined the abbreviated accounts on pages five to fourteen, together with the full financial statements of the company for the year ended 31st December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

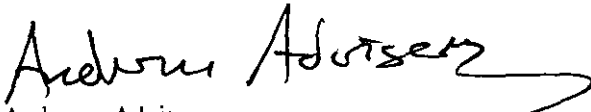
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts 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 accounts and that the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to fourteen are properly prepared in accordance with that provision.


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

Date: 29 October 2004

KJM SUPERBIKES LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2003**

		2003		2002	
	Notes	£	£	£	£
GROSS PROFIT			1,112,539		881,848
Distribution costs		11,473		14,339	
Administrative expenses		595,459		323,119	
			<u>606,932</u>		<u>337,458</u>
OPERATING PROFIT	3		505,607		544,390
Interest receivable and similar income			106		12,833
			<u>505,713</u>		<u>557,223</u>
Interest payable and similar charges	4		206,621		158,425
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			299,092		398,798
Tax on profit on ordinary activities	5		57,174		91,621
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			241,918		307,177
Retained profit brought forward			1,410,259		1,103,082
RETAINED PROFIT CARRIED FORWARD			<u>£1,652,177</u>		<u>£1,410,259</u>

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 abbreviated accounts

KJM SUPERBIKES LIMITED
ABBREVIATED BALANCE SHEET
31ST DECEMBER 2003

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		905,731		846,955
CURRENT ASSETS:					
Stocks	7	3,901,160		3,363,578	
Debtors	8	206,925		463,918	
Cash at bank and in hand		(954,327)		(425,847)	
		3,153,758		3,401,649	
CREDITORS: Amounts falling due within one year	9	1,838,045		2,185,582	
NET CURRENT ASSETS:			1,315,713		1,216,067
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,221,444		2,063,022
CREDITORS: Amounts falling due after more than one year	10		(568,672)		(652,168)
PROVISIONS FOR LIABILITIES AND CHARGES:	12		(593)		(593)
			<u>£1,652,179</u>		<u>£1,410,261</u>
CAPITAL AND RESERVES:					
Called up share capital	13		2		2
Profit and loss account			1,652,177		1,410,259
SHAREHOLDERS' FUNDS:	14		<u>£1,652,179</u>		<u>£1,410,261</u>

These abbreviated accounts 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:

KJ Mason

Keith James Mason - Director

E. Mason

Eileen Mason - Director

Approved by the Board on 28/10/2004

The notes form part of these abbreviated accounts

KJM SUPERBIKES LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	Notes	2003		2002	
		£	£	£	£
Net cash outflow from operating activities	1		(80,174)		(225,532)
Returns on investments and servicing of finance	2		(206,515)		(145,592)
Taxation			(128,227)		(122,000)
Capital expenditure	2		(69,750)		(693,014)
			<u>(484,666)</u>		<u>(1,186,138)</u>
Financing	2		98,396		820,289
Decrease in cash in the period			<u>£(386,270)</u>		<u>£(365,849)</u>
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period			(386,270)		(365,849)
Cash outflow/(inflow) from decrease/(increase) in debt			<u>83,496</u>		<u>(615,167)</u>
Change in net debt resulting from cash flows			<u>(302,774)</u>		<u>(981,016)</u>
Movement in net debt in the period			<u>(302,774)</u>		<u>(981,016)</u>
Net debt at 1st January			<u>(1,918,674)</u>		<u>(937,658)</u>
Net debt at 31st December			<u>£(2,221,448)</u>		<u>£(1,918,674)</u>

The notes form part of these abbreviated accounts

KJM SUPERBIKES LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2003**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit	505,607	544,390
Depreciation charges	10,974	8,845
Increase in stocks	(537,582)	(727,479)
Decrease/(Increase) in debtors	256,994	(41,534)
Decrease in creditors	(316,167)	(9,754)
Net cash outflow from operating activities	<u>(80,174)</u>	<u>(225,532)</u>

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

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	106	12,833
Interest paid	(206,621)	(158,425)
Net cash outflow for returns on investments and servicing of finance	<u>(206,515)</u>	<u>(145,592)</u>
Capital expenditure		
Purchase of tangible fixed assets	(69,750)	(693,014)
Net cash outflow for capital expenditure	<u>(69,750)</u>	<u>(693,014)</u>
Financing		
New loan taken out in year	-	655,000
Loan repayments in year	(83,496)	(39,832)
Amount introduced by directors	354,735	234,263
Amount withdrawn by directors	(172,843)	(29,142)
Net cash inflow from financing	<u>98,396</u>	<u>820,289</u>

The notes form part of these abbreviated accounts

KJM SUPERBIKES LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2003**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/03 £	Cash flow £	At 31/12/03 £
Net cash:			
Cash at bank and in hand	(425,847)	(528,480)	(954,327)
Bank overdrafts	(757,164)	142,210	(614,954)
	<u>(1,183,011)</u>	<u>(386,270)</u>	<u>(1,569,281)</u>
Debt:			
Debts falling due within one year	(83,495)	-	(83,495)
Debts falling due after one year	(652,168)	83,496	(568,672)
	<u>(735,663)</u>	<u>83,496</u>	<u>(652,167)</u>
Total	<u><u>(1,918,674)</u></u>	<u><u>(302,774)</u></u>	<u><u>(2,221,448)</u></u>
Analysed in Balance Sheet			
Cash at bank and in hand	(425,847)		(954,327)
Bank overdrafts	(757,164)		(614,954)
Debts falling due within one year	(83,495)		(83,495)
Debts falling due after one year	(652,168)		(568,672)
	<u>(1,918,674)</u>		<u><u>(2,221,448)</u></u>

The notes form part of these abbreviated accounts

KJM SUPERBIKES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2003

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

	2003 £	2002 £
Wages and salaries	<u>306,489</u>	<u>304,136</u>

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

	2003	2002
Sales	5	-
Administration	14	-
	<u>19</u>	<u>-</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2003 £	2002 £
Depreciation - owned assets	<u>10,974</u>	<u>8,845</u>
Directors' emoluments	<u>-</u>	<u>9,600</u>

KJM SUPERBIKES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest and charges	57,325	70,275
Bank loan interest	32,660	-
Loan interest	116,636	88,150
	<u>206,621</u>	<u>158,425</u>

5. TAXATION

Analysis of the tax charge

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

	2003	2002
	£	£
Current tax:		
UK corporation tax	57,174	91,621
	<u>57,174</u>	<u>91,621</u>
Tax on profit on ordinary activities	<u>57,174</u>	<u>91,621</u>

6. TANGIBLE FIXED ASSETS

	Freehold property	Improvements to property	Plant and machinery
	£	£	£
COST:			
At 1st January 2003	810,637	54,478	15,640
Additions	50,867	-	2,595
	<u>861,504</u>	<u>54,478</u>	<u>18,235</u>
At 31st December 2003	<u>861,504</u>	<u>54,478</u>	<u>18,235</u>
DEPRECIATION:			
At 1st January 2003	-	33,522	10,326
Charge for year	-	4,191	4,839
	<u>-</u>	<u>4,191</u>	<u>4,839</u>
At 31st December 2003	<u>-</u>	<u>37,713</u>	<u>15,165</u>
NET BOOK VALUE:			
At 31st December 2003	<u>861,504</u>	<u>16,765</u>	<u>3,070</u>
At 31st December 2002	<u>810,637</u>	<u>20,956</u>	<u>5,314</u>

KJM SUPERBIKES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

6. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1st January 2003	2,987	5,098	20,106	908,946
Additions	16,288	-	-	69,750
	<u>19,275</u>	<u>5,098</u>	<u>20,106</u>	<u>978,696</u>
At 31st December 2003				
DEPRECIATION:				
At 1st January 2003	410	4,998	12,735	61,991
Charge for year	450	20	1,474	10,974
	<u>860</u>	<u>5,018</u>	<u>14,209</u>	<u>72,965</u>
At 31st December 2003				
NET BOOK VALUE:				
At 31st December 2003	<u>18,415</u>	<u>80</u>	<u>5,897</u>	<u>905,731</u>
At 31st December 2002	<u>2,577</u>	<u>100</u>	<u>7,371</u>	<u>846,955</u>

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

	2003 £	2002 £
Motorcycles and accessories	<u>3,901,160</u>	<u>3,363,578</u>

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

	2003 £	2002 £
Trade debtors	106,952	186,615
Other debtors	64,973	96,737
Prepayments	-	145,566
Debtors	<u>35,000</u>	<u>35,000</u>
	<u>206,925</u>	<u>463,918</u>

KJM SUPERBIKES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

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

	2003	2002
	£	£
Bank loans and overdrafts (see note 11)	698,449	840,659
Directors loan accounts	1,016,682	834,789
MOTOGB account	65,091	65,091
V.A.T.	-	207,834
Taxation	52,323	123,376
Accrued expenses	5,500	113,833
	<u>1,838,045</u>	<u>2,185,582</u>

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

	2003	2002
	£	£
Bank loans (see note 11)	<u>568,672</u>	<u>652,168</u>

11. LOANS AND OVERDRAFTS

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

	2003	2002
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	614,954	757,164
Bank loans	<u>83,495</u>	<u>83,495</u>
	<u>698,449</u>	<u>840,659</u>
Amounts falling due between one and two years:		
Bank loans	<u>568,672</u>	<u>652,168</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	2003	2002
	£	£
Deferred taxation	<u>593</u>	<u>593</u>
	Deferred	
	tax	
	£	
Balance at 1st January 2003	<u>593</u>	
Balance at 31st December 2003	<u>593</u>	

KJM SUPERBIKES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

13. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2003	2002
		£1	£	£
1,000,000	Ordinary shares		1,000,000	1,000,000

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2003	2002
		£1	£	£
2	Ordinary shares		2	2

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	241,918	307,177
Net addition to shareholders' funds	241,918	307,177
Opening shareholders' funds	1,410,261	1,103,084
Closing shareholders' funds	1,652,179	1,410,261
Equity interests	1,652,179	1,410,261

15. ULTIMATE CONTROLLING PARTY

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