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REGISTERED NUMBER: 3237607

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2004
FOR
KJM SUPERBIKES LIMITED



KJM SUPERBIKES LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2004**

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KJM SUPERBIKES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2004

DIRECTORS:

Keith James Mason
Eileen Mason
Lee Mason

SECRETARY:

Eileen Mason

REGISTERED OFFICE:

2a Toogood Lane
Wrightington
Wigan
Lancashire
WN6 9PL

REGISTERED NUMBER:

3237607

AUDITOR:

Anderson Advisers
Chartered Accountants and Registered Auditor
15 Hayhurst Road
Whalley
CLITHEROE
Lancashire
BB7 9RL

KJM SUPERBIKES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2004

The directors present their report with the accounts of the company for the year ended 31st December 2004.

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 2004.

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

DIVIDENDS

The dividend proposed for the year amounts to £300,000 per share. KJ & E Mason had both previously waived any right to dividend for the year and thus total dividend declared is £300,000 for the year ended 31st December 2004.

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 2004 in the issued share capital of the company were as follows:

	31.12.04	1.1.04
Ordinary shares £1 shares		
Keith James Mason	1	1
Eileen Mason	1	1
Lee Mason	1	-

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.

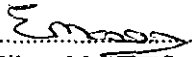
KJM SUPERBIKES LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2004**

AUDITOR

The auditor, 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: 25/10/2005

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

I 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 2004 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. My work has been undertaken so that I might state to the company those matters I am required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of directors and auditor

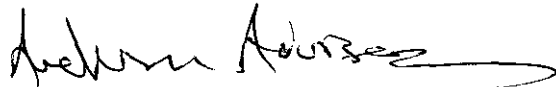
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the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

Basis of opinion

I have carried out the procedures I 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 my work for the purpose of this report did not include examining or dealing with events after the date of my report on the full financial statements.

Opinion

In my 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 Accountants and Registered Auditor
15 Hayhurst Road
Whalley
CLITHEROE
Lancashire
BB7 9RL

Date: 27/10/2005

KJM SUPERBIKES LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	Notes	2004 £	£	2003 £	£
GROSS PROFIT			1,091,141		1,112,539
Distribution costs		13,601		11,473	
Administrative expenses		410,360		595,459	
			<u>423,961</u>		<u>606,932</u>
OPERATING PROFIT	3		667,180		505,607
Interest receivable and similar income			-		106
			<u>667,180</u>		<u>505,713</u>
Interest payable and similar charges	4		259,142		206,621
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			408,038		299,092
Tax on profit on ordinary activities	5		100,272		57,174
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			307,766		241,918
Dividends	6		300,000		-
RETAINED PROFIT FOR THE YEAR			<u>7,766</u>		<u>241,918</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 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	7	910,711	905,731
CURRENT ASSETS			
Stocks	8	4,690,121	3,901,160
Debtors	9	355,571	206,925
Cash at bank and in hand		(951,991)	(954,327)
		<u>4,093,701</u>	<u>3,153,758</u>
CREDITORS			
Amounts falling due within one year	10	<u>2,899,389</u>	<u>1,838,045</u>
NET CURRENT ASSETS		<u>1,194,312</u>	<u>1,315,713</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,105,023</u>	<u>2,221,444</u>
CREDITORS			
Amounts falling due after more than one year	11	(444,484)	(568,672)
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>(593)</u>	<u>(593)</u>
		<u>1,659,946</u>	<u>1,652,179</u>
CAPITAL AND RESERVES			
Called up share capital	14	3	2
Profit and loss account	15	<u>1,659,943</u>	<u>1,652,177</u>
SHAREHOLDERS' FUNDS	16	<u>1,659,946</u>	<u>1,652,179</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:

K. J. Mason
 Keith James Mason - Director

Eileen Mason
 Eileen Mason - Director

Approved by the Board on 25/10/2005

The notes form part of these abbreviated accounts

KJM SUPERBIKES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2004

	Notes	2004 £	2003 £
Net cash outflow from operating activities	1	(153,397)	(80,174)
Returns on investments and servicing of finance	2	(259,142)	(206,515)
Taxation		(87,736)	(128,227)
Capital expenditure	2	(16,861)	(69,750)
Equity dividends paid		(300,000)	-
		(817,136)	(484,666)
Financing	2	324,676	98,396
Decrease in cash in the period		(492,460)	(386,270)
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(492,460)	(386,270)
Cash outflow from decrease in debt		124,188	83,496
Change in net debt resulting from cash flows		(368,272)	(302,774)
Movement in net debt in the period		(368,272)	(302,774)
Net debt at 1st January		(2,221,448)	(1,918,674)
Net debt at 31st December		(2,589,720)	(2,221,448)

The notes form part of these abbreviated accounts

KJM SUPERBIKES LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2004**

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

	2004 £	2003 £
Operating profit	667,180	505,607
Depreciation charges	11,880	10,974
Increase in stocks	(788,961)	(505,817)
(Increase)/Decrease in debtors	(154,199)	225,229
Increase/(Decrease) in creditors	110,703	(316,167)
Net cash outflow from operating activities	<u>(153,397)</u>	<u>(80,174)</u>

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

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	-	106
Interest paid	(259,142)	(206,621)
Net cash outflow for returns on investments and servicing of finance	<u>(259,142)</u>	<u>(206,515)</u>
 Capital expenditure		
Purchase of tangible fixed assets	(16,861)	(69,750)
Net cash outflow for capital expenditure	<u>(16,861)</u>	<u>(69,750)</u>
 Financing		
Loan repayments in year	(124,188)	(83,496)
Amount introduced by directors	1,819,232	354,735
Amount withdrawn by directors	(1,370,369)	(172,843)
Share issue	1	-
Net cash inflow from financing	<u>324,676</u>	<u>98,396</u>

The notes form part of these abbreviated accounts

KJM SUPERBIKES LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2004**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/04 £	Cash flow £	At 31/12/04 £
Net cash:			
Cash at bank and in hand	(954,327)	2,336	(951,991)
Bank overdrafts	(614,954)	(494,796)	(1,109,750)
	<u>(1,569,281)</u>	<u>(492,460)</u>	<u>(2,061,741)</u>
Debt:			
Debts falling due within one year	(83,495)	-	(83,495)
Debts falling due after one year	(568,672)	124,188	(444,484)
	<u>(652,167)</u>	<u>124,188</u>	<u>(527,979)</u>
Total	<u>(2,221,448)</u>	<u>(368,272)</u>	<u>(2,589,720)</u>

The notes form part of these abbreviated accounts

KJM SUPERBIKES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2004

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

Stocks are 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

	2004 £	2003 £
Wages and salaries	<u>334,943</u>	<u>306,489</u>

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

	2004	2003
Sales	5	5
Administration	<u>16</u>	<u>14</u>
	<u>21</u>	<u>19</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2004 £	2003 £
Depreciation - owned assets	<u>11,880</u>	<u>10,974</u>
Directors' emoluments	<u>-</u>	<u>-</u>

KJM SUPERBIKES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2004**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Bank interest and charges	29,743	57,325
Bank loan interest	34,399	32,660
Loan interest	195,000	116,636
	<u>259,142</u>	<u>206,621</u>

5. TAXATION

Analysis of the tax charge

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

	2004	2003
	£	£
Current tax:		
UK corporation tax	94,859	57,174
Charge for earlier year	5,413	-
	<u>100,272</u>	<u>57,174</u>
Tax on profit on ordinary activities	<u>100,272</u>	<u>57,174</u>

6. DIVIDENDS

	2004	2003
	£	£
Equity shares:		
Final	300,000	-
	<u>300,000</u>	<u>-</u>

7. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1st January 2004	861,504	54,478	18,235
At 31st December 2004	861,504	54,478	18,235
DEPRECIATION			
At 1st January 2004	-	37,713	15,166
Charge for year	-	3,353	3,871
At 31st December 2004	-	41,066	19,037
NET BOOK VALUE			
At 31st December 2004	861,504	13,412	(802)
At 31st December 2003	861,504	16,765	3,069

KJM SUPERBIKES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2004**

7. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1st January 2004	19,275	5,098	20,106	978,696
Additions	7,086	-	9,775	16,861
	<u>26,361</u>	<u>5,098</u>	<u>29,881</u>	<u>995,557</u>
DEPRECIATION				
At 1st January 2004	860	5,018	14,209	72,966
Charge for year	1,506	16	3,134	11,880
	<u>2,366</u>	<u>5,034</u>	<u>17,343</u>	<u>84,846</u>
NET BOOK VALUE				
At 31st December 2004	<u>23,995</u>	<u>64</u>	<u>12,538</u>	<u>910,711</u>
At 31st December 2003	<u>18,415</u>	<u>80</u>	<u>5,897</u>	<u>905,730</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.

8. STOCKS

	2004 £	2003 £
Motorcycles and accessories	<u>4,690,121</u>	<u>3,901,160</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade debtors	261,151	106,952
Other debtors	59,420	64,973
Kenwood Homes Limited Loan	35,000	35,000
	<u>355,571</u>	<u>206,925</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Bank loans and overdrafts (see note 12)	1,193,245	698,449
Trade creditors	3,224	-
Tax	64,859	52,323
VAT	11,746	-
Other creditors	75,052	-
MOTOGB account	78,718	65,091
Directors' current accounts	1,465,545	1,016,682
Accrued expenses	7,000	5,500
	<u>2,899,389</u>	<u>1,838,045</u>

KJM SUPERBIKES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2004**

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004	2003
	£	£
Bank loans (see note 12)	444,484	568,672
	<u>444,484</u>	<u>568,672</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2004	2003
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	1,109,750	614,954
Bank loans	18,000	18,000
Bank Loan property	65,495	65,495
	<u>1,193,245</u>	<u>698,449</u>

Amounts falling due between one and two years:

Bank loans - 1-2 years	444,484	568,672
	<u>444,484</u>	<u>568,672</u>

13. PROVISION FOR LIABILITIES AND CHARGES

	2004	2003
	£	£
Deferred tax	593	593
	<u>593</u>	<u>593</u>

	Deferred tax
	£
Balance at 1st January 2004	593
Balance at 31st December 2004	<u>593</u>

14. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2004	2003
			£	£
1,000,000	Ordinary shares	£1	1,000,000	1,000,000
			<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2004	2003
			£	£
3	Ordinary shares	£1	3	2
(2003 - 2)			<u>3</u>	<u>2</u>

1 Ordinary shares share of £1 was allotted and fully paid for cash at par during the year.

KJM SUPERBIKES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2004**

15. RESERVES

	Profit and loss account £
At 1st January 2004	1,652,177
Retained profit for the year	7,766
	<u>1,659,943</u>
At 31st December 2004	<u>1,659,943</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit for the financial year	307,766	241,918
Dividends	(300,000)	-
	<u>7,766</u>	<u>241,918</u>
Issued shares	1	-
	<u>7,767</u>	<u>241,918</u>
Net addition to shareholders' funds	7,767	241,918
Opening shareholders' funds	1,652,179	1,410,261
	<u>1,659,946</u>	<u>1,652,179</u>
Closing shareholders' funds	1,659,946	1,652,179
	<u>1,659,946</u>	<u>1,652,179</u>
Equity interests	<u>1,659,946</u>	<u>1,652,179</u>

17. ULTIMATE CONTROLLING PARTY

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