

1113282



THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

CONSOLIDATED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2000



DAFFERN & CO
chartered accountants
Coventry and Leamington Spa

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

REPORT OF THE DIRECTORS for the year ended 31 March 2000

The directors present their annual report together with the consolidated audited accounts for the year ended 31 March 2000.

DIRECTORS RESPONSIBILITIES

Company law requires us as 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 year. In preparing those financial statements we 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

PRINCIPAL ACTIVITY

The principal activity is the encouragement and promotion of The Motor Cycle Industry both at home and abroad. The trading subsidiary is engaged in the promotion and management of motor cycle shows.

STATE OF THE COMPANY'S AFFAIRS AND FUTURE DEVELOPMENTS

The consolidated result of the year's trading is shown in the profit and loss account on page 4. The surplus for the year has been added to the accumulated surplus brought forward to give an accumulated surplus carried forward of £1,946,712.

The company's policy will continue to be to promote, protect and expand the motor cycle industry.

FIXED ASSETS

Movements in fixed assets are shown in note 6 to the accounts.

DONATIONS

During the year the company made charitable donations of £1,512.

Cont'd.../

REPORT OF THE DIRECTORS
for the year ended 31 March 2000

DIRECTORS

The directors who served during the year and remaining in office were:

Mr. G.D. Sherley (Chairman)
Mr. M. Mirosi (Vice Chairman from 18 April 2000)
Mrs. M.E. Dickman
Mr. A. Dawson
Mr. N. Hyde
Mr. B. Tagliaferri
Mr. W.E. Hawker
Mr. A.R. Smith
Mr. I.R. Catford
Mr. P. McMartin
Mr. J.G. Brumfitt
Mr. M.A. Foster
Mr. G.K. Blair (appointed 13 August 1999)
Mr. M.C. Vallance (appointed 18 January 2000)
Mr. G.M. Healey (appointed 14 March 2000)

Others who served during the year were:

Mr. R. McMillan (Vice Chairman to 18 January 2000, resigned 18 January 2000)
Mr. R.G. Tilbrook (resigned 21 March 2000)
Mr. M.G. Pretlove (resigned 18 January 2000)
Mr. T.H. Waterer (co-opted, resigned 13 July 1999)
Mrs. I. Yedd (co-opted, resigned 13 July 1999)
Mr. H. Elm (resigned 14 December 1999)
Mr. G.N. Travell (resigned 15 February 2000)
Mr. C.C. Ventress (resigned 13 July 1999)
Mr. D.A. Taylor (resigned 21 March 2000)
Mr. K.L. Davies (resigned 13 April 2000)
Mr. P. Rivers Fletcher (resigned 13 April 2000)
Mr. C.P. Butler (resigned 15 February 2000)

AUDITORS

The auditors, Messrs. Daffern & Co. are willing to be re-appointed in accordance with the provisions of Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

Secretary



G.M. Griffiths

Dated: 18 July 2000

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

AUDITORS' REPORT TO THE MEMBERS OF
THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

The directors' responsibilities with regard to the financial statements are set out in their report on page 1. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

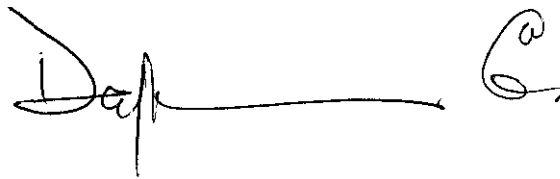
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the group's affairs as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Daffern & Co
Chartered Accountants
Registered Auditors
Queens House,
Queens Road,
Coventry,
CV1 3DR



Dated: 18 July 2000

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2000

	<u>Notes</u>	Year ended <u>31.3.00</u> £	Period 1.1.98 to <u>31.3.99</u> £
TURNOVER	2	4,355,630	3,669,966
Cost of sales		(2,680,119)	(2,552,529)
GROSS PROFIT		<u>1,675,511</u>	<u>1,117,437</u>
Administrative Expenses		(1,238,760)	(1,245,821)
Other Operating Income		<u>19,543</u>	<u>7,508</u>
OPERATING PROFIT/(LOSS)		456,294	(120,876)
Interest payable		(25)	(64)
Interest receivable		71,514	106,146
Profit on sale of fixed assets		<u>339</u>	<u>3,380</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	528,122	(11,414)
Tax on profit/(loss) on ordinary activities	5	<u>155,411</u>	<u>(7,085)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR ON ORDINARY ACTIVITIES AFTER TAXATION	10	372,711	(4,329)
Retained profit brought forward		<u>1,574,001</u>	<u>1,578,330</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>1,946,712</u></u>	<u><u>1,574,001</u></u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The group had no recognised gains or losses other than the profit/(loss) for the above two financial years.

The notes form part of these financial statements

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

CONSOLIDATED BALANCE SHEET
31 March 2000

	<u>Notes</u>	£	<u>2000</u>	£	£	<u>1999</u>	£
FIXED ASSETS							
Tangible assets	6			148,695			146,376
CURRENT ASSETS							
Debtors	8	331,213			193,598		
Cash at bank and in hand		2,220,975			1,477,429		
				<u>2,552,188</u>			<u>1,671,027</u>
CREDITORS: Amounts falling due within one year	9		<u>(754,141)</u>			<u>(243,402)</u>	
NET CURRENT ASSETS				<u>1,798,017</u>			<u>1,427,625</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>1,946,712</u>			<u>1,574,001</u>
RESERVES							
Profit and loss account	10			<u>1,946,712</u>			<u>1,574,001</u>

ON BEHALF OF THE BOARD:

G.D. Sherley - DIRECTOR



M. Mirosi - DIRECTOR



APPROVED BY THE BOARD OF DIRECTORS ON 18 JULY 2000

The notes form part of these financial statements

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

BALANCE SHEET
31 March 2000

	Notes	£	<u>2000</u>	£	<u>1999</u>	£
FIXED ASSETS						
Tangible assets	6		109,601			109,544
Investments	7		102			102
			<u>109,703</u>			<u>109,646</u>
CURRENT ASSETS						
Debtors	8	1,769,305		922,083		
Cash at bank and in hand		71,541		429,328		
		<u>1,840,846</u>		<u>1,351,411</u>		
CREDITORS: Amounts falling due within one year	9	<u>(306,986)</u>		<u>(166,266)</u>		
NET CURRENT ASSETS			1,533,860			1,185,145
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,643,563</u>			<u>1,294,791</u>
RESERVES						
Profit and loss account	10		<u>1,643,563</u>			<u>1,294,791</u>

ON BEHALF OF THE BOARD:

G.D. Sherley - DIRECTOR

M. Mirosi - DIRECTOR

APPROVED BY THE BOARD OF DIRECTORS ON 18 JULY 2000

The notes form part of these financial statements

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

CONSOLIDATED
CASH FLOW STATEMENT
for the year ended 31 March 2000

		Year ended 31.3.00 £	Period 1.1.98 to 31.3.99 £
	<u>Notes</u>		
Net cash inflow/(outflow) from operating activities	1	715,521	(225,342)
Returns on investments and servicing of finance	2	71,489	106,082
Taxation		3,022	(168,119)
Capital expenditure	2	(46,486)	(147,142)
Increase/(decrease) in cash in the year		<u>743,546</u>	<u>(434,521)</u>
Reconciliation of net cash flow to movement in net fund	3		
Increase/(decrease) in cash in the year		743,546	(434,521)
Net fund at 31 March 1999		1,477,429	1,911,950
Net fund at 31 March 2000		<u>2,220,975</u>	<u>1,477,429</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 March 2000

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

	Year ended <u>31.3.00</u> £	Period 1.1.98 to <u>31.3.99</u> £
Operating profit/(loss)	456,294	(120,876)
Depreciation charges	44,506	33,823
(Increase)/decrease in debtors	(140,548)	42,217
(Decrease)/increase in creditors	355,269	(180,506)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	<u>715,521</u>	<u>(225,342)</u>

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

	Year ended <u>31.3.00</u> £	Period 1.1.98 to <u>31.3.99</u> £
Returns on investments and servicing of finance		
Interest received	71,514	106,146
Interest paid	(25)	(64)
	<hr/>	<hr/>
Net cash inflow for returns on investments and servicing of finance	<u>71,489</u>	<u>106,082</u>
	<hr/>	<hr/>
Capital expenditure		
Purchase of tangible fixed assets	(50,486)	(154,456)
Sale of tangible fixed assets	4,000	7,314
	<hr/>	<hr/>
Net cash (outflow) for capital expenditure	<u>(46,486)</u>	<u>(147,142)</u>

3. ANALYSIS OF CHANGES IN NET FUND

	<u>At 1.3.99</u> £	<u>Cash flow</u> £	<u>At 31.3.00</u> £
Net cash:			
Cash in hand, at bank	<u>1,477,429</u>	<u>743,546</u>	<u>2,220,975</u>
	<hr/>	<hr/>	<hr/>
Analysed in Balance Sheet			
Cash at bank and in hand	<u>1,477,429</u>		<u>2,220,975</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the group's accounts.

Accounting convention

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

Basis of consolidation

The consolidated accounts include the results of all group companies to 31 March 2000.

A separate profit and loss account dealing with the results of the holding company is not presented, as permitted by Section 230 Companies Act 1985. For the year ended 31 March 2000 the holding company made a loss before tax and group dividends of £793,017 (31 March 1999 : Loss of £695,987).

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:-

General equipment	-	15% on cost
Electrical equipment	-	25% on cost
Fixtures and fittings	-	10% on cost
Motor vehicles	-	25% on cost

Deferred taxation

Provision is made for deferred taxation under the liability method in respect of accelerated capital allowances and other timing differences to the extent that, in the opinion of the directors, there is a reasonable probability that liabilities will arise in the future. At 31 March 2000 no provision is required.

Pension

The pension cost charge represents contributions payable by the group to a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

Operating leases

Rentals paid under operating leases are charged to the profit and loss account as incurred.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

2. **TURNOVER**

Turnover in the consolidated profit and loss account is stated exclusive of value added tax and is analysed as follows:-

	Year ended 31.3.00 £	Period 1.1.98 to 31.3.99 £
Subscriptions	161,013	190,502
Motor Cycle Shows (including catalogue sales)	4,194,617	3,479,464
	<u>4,355,630</u>	<u>3,669,966</u>

3. **EMPLOYEES**

	Year ended 31.3.00 £	Period 1.1.98 to 31.3.99 £
Staff costs for the group were as follows:		
Wages and salaries	356,692	349,503
Social security costs	38,173	33,072
Other pension costs	22,555	16,310
	<u>417,420</u>	<u>398,885</u>

The average weekly number of employees of the group was:-

Management	3	3
Administration	11	7
	<u>14</u>	<u>10</u>

4. **PROFIT/(LOSS) FOR THE YEAR ON ORDINARY ACTIVITIES
BEFORE TAXATION**

	Year ended 31.3.00 £	Period 1.1.98 to 31.3.99 £
The profit/(loss) for the year before taxation is after charging:		
Depreciation	44,506	33,822
Audit fee	7,100	7,000
Operating leases - equipment and motor vehicles	18,846	13,815
Other operating leases - land and buildings	8,300	8,300
	<u>78,752</u>	<u>62,937</u>

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000**

**4. PROFIT/(LOSS) FOR THE YEAR ON ORDINARY ACTIVITIES
BEFORE TAXATION (CONTINUED)**

	Year ended <u>31.3.00</u> £	Period 1.1.98 to <u>31.3.99</u> £
Directors' emoluments	87,881	157,024
Directors' pension contributions to money purchase schemes	<u>6,015</u>	<u>6,035</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>2</u>
------------------------	----------	----------

5. TAXATION

	Year ended <u>31.3.00</u> £	Period 1.1.98 to <u>31.3.99</u> £
Corporation tax payable/(recoverable) at an average rate of 30% (1999: 31%)	<u>155,411</u>	<u>(7,085)</u>

6. TANGIBLE FIXED ASSETS

	<u>Vehicles</u> £	<u>Fixtures & equipment</u> £	<u>Company total</u> £	<u>Subsidiary equipment</u> £	<u>Group total</u> £
COST					
At 1 April 1999	60,873	92,168	153,041	81,724	234,765
Additions	6,520	27,898	34,418	16,068	50,486
Disposals	(4,000)	-	(4,000)	-	(4,000)
At 31 March 2000	<u>63,393</u>	<u>120,066</u>	<u>183,459</u>	<u>97,792</u>	<u>281,251</u>
DEPRECIATION					
At 1 April 1999	11,052	32,445	43,497	44,892	88,389
Charge for year	15,608	15,092	30,700	13,806	44,506
Eliminated on disposals	(339)	-	(339)	-	(339)
At 31 March 2000	<u>26,321</u>	<u>47,537</u>	<u>73,858</u>	<u>58,698</u>	<u>132,556</u>
NET BOOK VALUE					
At 31 March 2000	<u>37,072</u>	<u>72,529</u>	<u>109,601</u>	<u>39,094</u>	<u>148,695</u>
NET BOOK VALUE					
At 31 March 1999	<u>49,821</u>	<u>59,723</u>	<u>109,544</u>	<u>36,832</u>	<u>146,376</u>

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000**

7. INVESTMENTS

The investments represent interests in the whole of the issued share capital of the company's subsidiaries, at cost.

	<u>2000</u> £	<u>1999</u> £
M.C.I. Exhibitions Limited	100	100
The British Motor Cycle Safety Foundation Limited	2	2
	<hr/>	<hr/>
	102	102
	<hr/>	<hr/>

M.C.I. Exhibitions Limited promotes and manages motor cycle shows; the British Motor Cycle Safety Foundation Limited does not trade. Both companies are incorporated in England and Wales.

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

	<u>Group</u> <u>2000</u> £	<u>Holding</u> <u>company</u> <u>2000</u> £	<u>Group</u> <u>1999</u> £	<u>Holding</u> <u>company</u> <u>1999</u> £
Trade debtors	106,276	36,709	132,273	87,103
Amount due from subsidiary	-	542,730	-	196,024
Other debtors	63,519	7,974	4,975	2,150
Dividend receivable	-	900,000	-	400,000
Prepayments and accrued income	96,863	40,192	48,624	30,084
VAT	64,555	-	4,793	-
Corporation tax	-	241,700	2,933	206,722
	<hr/>	<hr/>	<hr/>	<hr/>
	331,213	1,769,305	193,598	922,083
	<hr/>	<hr/>	<hr/>	<hr/>

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

Trade creditors	260,713	110,373	61,398	21,010
Payments on account	126,612	-	-	-
Social security and other taxation	26,575	27,915	-	13,941
Corporation tax	155,500	-	-	-
Other creditors	12,673	9,694	3,012	-
Accruals and deferred income	172,098	159,004	178,992	131,315
	<hr/>	<hr/>	<hr/>	<hr/>
	754,171	306,986	243,402	166,266
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

10. RECONCILIATION OF MOVEMENT ON MEMBERS FUNDS

	<u>Group</u> <u>2000</u> £	<u>Company</u> <u>2000</u> £	<u>Group</u> <u>1999</u> £	<u>Company</u> <u>1999</u> £
Profit/(loss) for the financial year after taxation/net addition to members' funds	372,711	348,772	(4,329)	(35,113)
Opening members' funds at 1 April 1999	1,574,001	1,294,791	1,578,330	1,329,904
Closing members' funds at 31 March 2000	1,946,712	1,643,563	1,574,001	1,294,791

11. SHOWS

The International Motor Cycle Show and other shows are run by M.C.I. Exhibitions Limited, a subsidiary of The Motor Cycle Industry Association Limited.

12. COMPANY STATUS

The company is limited by guarantee and does not have a share capital. It is incorporated in England and Wales.

13. CONTINGENT LIABILITIES

Penalties are payable by the subsidiary company in respect of a long term agreement relating to the venue of the International Motor Cycle Show, in the event that it is not held at that venue. At 31 March 2000, there was a commitment in respect of the 2000, 2001 and 2002 shows. The potential liability for 2000 was £1,500,000 (1999 £1,333,000), and similar amounts are expected in respect of the 2001 and 2002 show.

The subsidiary company is also committed to £263,000 in respect of the 2001 London Motor Show.

14. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	<u>Land and buildings</u>		<u>Operating leases</u>	
	<u>2000</u> £	<u>1999</u> £	<u>2000</u> £	<u>Other</u> <u>1999</u> £
Expiring:				
Within one year	-	-	5,008	-
Between one and five years	-	-	6,977	17,486
In more than five years	8,300	8,300	-	-
	8,300	8,300	11,985	17,486