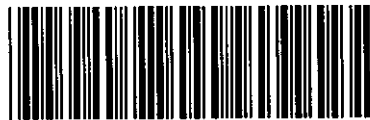




THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

**CONSOLIDATED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2006**

THURSDAY



AJ7H5LX4

A41

04/01/2007

192

COMPANIES HOUSE

Dafferns

Chartered Accountants & Business Advisers

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

COMPANY INFORMATION
for the year ended 31 March 2006

DIRECTORS:

Mr. J.G. Brumfitt
Mr. A.R. Smith
Mr. N. Hyde
Mr. W.E. Hawker
Mr. M. Davies
Mr. J.D. Anderson
Mr. G.D. Sherley
Mr. P. Rivers-Fletcher
Mr. M. Pretlove
Mr. N. Palmer
Mr. A. Campbell
Mr. H.C. Dale
Mr. D. McMartin
Miss T. Glen

SECRETARY:

Mr. T. Waterer

REGISTERED OFFICE:

Starley House
Eaton Road
Coventry
CV1 2FH

REGISTERED NUMBER:

1113282 (England and Wales)

AUDITORS:

Dafferns
Chartered Accountants
Registered Auditors
Queens House
Queens Road
Coventry
CV1 3DR

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

REPORT OF THE DIRECTORS for the year ended 31 March 2006

The directors present their annual report together with the consolidated audited accounts for the year ended 31 March 2006.

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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 5. The deficit for the year has been deducted from the accumulated surplus brought forward to give an accumulated surplus carried forward of £2,303,877.

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 £21,610.

Cont'd.../

**REPORT OF THE DIRECTORS
for the year ended 31 March 2006**

DIRECTORS

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

Mr. J.G. Brumfitt (Chairman)
Mr. A.R. Smith (Vice Chairman)
Mr. N. Hyde
Mr. W.E. Hawker
Mr. M. Davies
Mr. J.D. Anderson
Mr. G.D. Sherley
Mr. P. Rivers-Fletcher
Mr. M. Pretlove
Mr. N. Palmer - appointed 14 June 2005
Mr. A. Campbell - appointed 17 October 2005
Mr. H.C. Dale - appointed 14 November 2005
Mr. D. McMartin - appointed 20 January 2006

Others who served during the year were:

Mr. P. McMartin - resigned 25 November 2005
Mr. D.M. Sager - resigned 18 October 2005
Mr. I. Kondo - resigned 14 June 2005
Mr. K.A. Burk - resigned 10 March 2006
Mr. R. Davies - resigned 18 October 2005
Mr. S. Callahan - resigned 20 October 2005

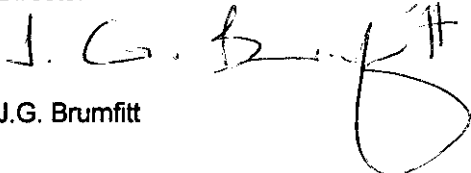
Miss T. Glen was appointed as a director on 28 April 2006

AUDITORS

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

BY ORDER OF THE BOARD

Director


J.G. Brumfitt

Dated: 19 September 2006

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED**

We have audited the financial statements of The Motor Cycle Industry Association Limited for the year ended 31 March 2006 on pages five to thirteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

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.

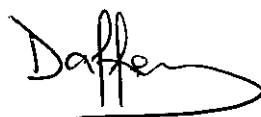
Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the company's affairs as at 31 March 2006 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the report of the directors is consistent with the financial statements.

Dafferns
Chartered Accountants
Registered Auditors
Queens House,
Queens Road,
Coventry,
CV1 3DR



Dated: 19 September 2006

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2006**

	<u>Notes</u>	<u>2006</u> £	<u>2005</u> £
TURNOVER	2	4,672,850	4,825,582
Cost of sales		(3,159,771)	(3,174,552)
GROSS PROFIT		<u>1,513,079</u>	<u>1,651,030</u>
Administrative Expenses		(1,787,802)	(1,725,463)
Other Operating Income		52,922	19,148
OPERATING LOSS		<u>(221,801)</u>	<u>(55,285)</u>
Interest receivable		57,394	70,551
Loss on sale of fixed assets		(2,048)	(989)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>(166,455)</u>	<u>14,277</u>
Tax on profit on ordinary activities	5	(40,500)	4,318
(LOSS)/PROFIT FOR THE FINANCIAL YEAR ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u>(125,955)</u>	<u>9,959</u>
Retained profit brought forward		2,429,832	2,419,873
RETAINED PROFIT CARRIED FORWARD		<u><u>2,303,877</u></u>	<u><u>2,429,832</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 for the above two financial years.

The notes form part of these financial statements

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

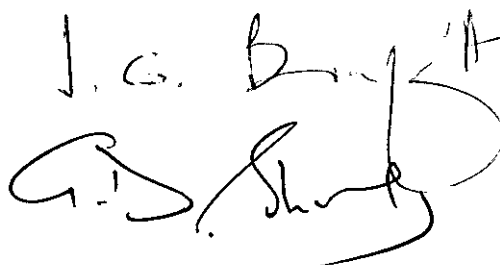
CONSOLIDATED BALANCE SHEET
31 March 2006

	<u>Notes</u>	£	<u>2006</u>	£	£	<u>2005</u>	£
FIXED ASSETS							
Tangible assets	6		334,955			397,085	
CURRENT ASSETS							
Debtors	8	995,307		1,219,311			
Cash at bank and in hand		1,585,302		1,442,390			
		<u>2,580,609</u>		<u>2,661,701</u>			
CREDITORS: Amounts falling due within one year	9	<u>(611,687)</u>		<u>(588,954)</u>			
NET CURRENT ASSETS			<u>1,968,922</u>			<u>2,072,747</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,303,877</u>			<u>2,469,832</u>	
PROVISIONS FOR LIABILITIES AND CHARGES	10		-			40,000	
			<u>2,303,877</u>			<u>2,429,832</u>	
RESERVES							
Profit and loss account	11		<u>2,303,877</u>			<u>2,429,832</u>	

ON BEHALF OF THE BOARD:

J.G. Brumfitt - DIRECTOR

G.D. Sherley - DIRECTOR



APPROVED BY THE BOARD OF DIRECTORS ON 19 SEPTEMBER 2006

The notes form part of these financial statements

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

BALANCE SHEET
31 March 2006

	<u>Notes</u>	£	<u>2006</u>	£	£	<u>2005</u>	£
FIXED ASSETS							
Tangible assets	6		318,320			371,364	
Investments	7		102			102	
			<u>318,422</u>			<u>371,466</u>	
CURRENT ASSETS							
Debtors	8	956,814			1,980,073		
Cash at bank and in hand		129,146			73,273		
		<u>1,085,960</u>			<u>2,053,346</u>		
CREDITORS: Amounts falling due within one year	9	<u>(330,170)</u>			<u>(393,415)</u>		
NET CURRENT ASSETS			755,790			1,659,931	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,074,212</u>			<u>2,031,397</u>	
PROVISIONS FOR LIABILITIES AND CHARGES	10		-			40,000	
			<u>1,074,212</u>			<u>1,991,397</u>	
RESERVES							
Profit and loss account	11		<u>1,074,212</u>			<u>1,991,397</u>	

ON BEHALF OF THE BOARD:

J.G. Brumfitt - DIRECTOR

G.D. Sherley - DIRECTOR

APPROVED BY THE BOARD OF DIRECTORS ON 19 SEPTEMBER 2006

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2006**

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 financial statements 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 2006. 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 2006 the holding company made a loss before tax and group dividends of £1,299,185 (31 March 2005 : Loss of £1,261,526).

Tangible fixed assets

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

Computer equipment	-	33.3% / 10% on cost
Electrical equipment	-	25% on cost
Fixtures and fittings	-	10% / 15% on cost
Motor vehicles	-	25% on cost

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pension

The group operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

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 2006

2. **TURNOVER**

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

	<u>2006</u> £	<u>2005</u> £
Subscriptions	269,323	265,372
Motor Cycle Shows	4,403,527	4,560,210
	<u>4,672,850</u>	<u>4,825,582</u>

3. **STAFF COSTS**

	<u>2006</u> £	<u>2005</u> £
Wages and salaries	606,319	576,483
Social security costs	64,870	63,244
Other pension costs	51,222	48,188
	<u>722,411</u>	<u>687,915</u>

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

Management	3	3
Administration	17	16
	<u>20</u>	<u>19</u>

Directors' emoluments	80,863	77,031
Directors' pension contributions to money purchase schemes	<u>5,878</u>	<u>5,707</u>

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

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

4. **OPERATING LOSS**

	<u>2006</u> £	<u>2005</u> £
The operating loss is stated after charging:		
Depreciation - owned assets	78,062	70,229
Auditors' remuneration	8,700	8,600
Operating leases - equipment and motor vehicles	18,250	22,009
Other operating leases - land and buildings	<u>8,300</u>	<u>8,300</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2006**

5. TAXATION

	<u>2006</u> £	<u>2005</u> £
Analysis of the tax charge		
The tax charge on the profit on ordinary activities for the year was as follows:		
Current tax:		
UK Corporation tax	-	500
Prior year adjustment	(500)	(1,311)
	<hr/>	<hr/>
Total current tax	(500)	(811)
Deferred tax	(40,000)	5,129
	<hr/>	<hr/>
Tax on profit on ordinary activities	<u>(40,500)</u>	<u>4,318</u>

U.K. Corporation tax has been charged at 30% (2005 - 30%)

The group has tax losses carried forward of approximately £148,000.

Factors affecting the tax charge

The tax assessed for the year does not equate to the standard rate of corporation tax in the UK. The difference is explained below:

	<u>2006</u> £	<u>2005</u> £
(Loss)/profit on ordinary activities before tax	<u>(166,455)</u>	<u>14,277</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	(49,936)	4,283
Effects of:		
Disallowed expenditure	3,578	2,556
Depreciation in excess of capital allowances	1,861	(9,434)
Bad debt provision not allowable	-	3,095
Prior year adjustments	(500)	(1,311)
Unutilised losses	44,497	-
	<hr/>	<hr/>
	<u>(500)</u>	<u>(811)</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2006**

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 2005	29,911	632,245	662,156	70,085	732,241
Additions	13,500	12,140	25,640	-	25,640
Disposals	(14,892)	(1,070)	(15,962)	(3,556)	(19,518)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2006	<u>28,519</u>	<u>643,315</u>	<u>671,834</u>	<u>66,529</u>	<u>738,363</u>
DEPRECIATION					
At 1 April 2005	16,598	274,194	290,792	44,364	335,156
Charge for year	7,012	61,964	68,976	9,086	78,062
Eliminated on disposals	(5,521)	(733)	(6,254)	(3,556)	(9,810)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2006	<u>18,089</u>	<u>335,425</u>	<u>353,514</u>	<u>49,894</u>	<u>403,408</u>
NET BOOK VALUE					
At 31 March 2006	<u>10,430</u>	<u>307,890</u>	<u>318,320</u>	<u>16,635</u>	<u>334,955</u>
NET BOOK VALUE					
At 31 March 2005	<u>13,313</u>	<u>358,051</u>	<u>371,364</u>	<u>25,721</u>	<u>397,085</u>

7. INVESTMENTS

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

	<u>2006</u> £	<u>2005</u> £
M.C.I. Exhibitions Limited	100	100
The British Motor Cycle Safety Foundation Limited	2	2
	<hr/>	<hr/>
	<u>102</u>	<u>102</u>

M.C.I. Exhibitions Limited promotes and manages motor cycle shows.

The British Motor Cycle Safety Foundation Limited does not trade.

The Rider Development Research Foundation Limited, a company limited by guarantee, is a quasi subsidiary by virtue of the control exercised over it by MCIA. The company did not trade during the year.

THE MOTOR CYCLE INDUSTRY ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2006**

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

	<u>Group</u>		<u>Company</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	£	£	£	£
Trade debtors	87,066	17,598	82,344	14,530
Amount due from subsidiary	-	-	380,977	378,206
Other debtors	1,102	3,898	1,102	2,603
Dividend receivable	-	-	-	890,000
Prepayments and accrued income	803,981	848,911	47,233	73,181
Deferred expenditure	103,158	206,316	103,158	206,316
VAT	-	142,588	-	32,737
Corporation tax	-	-	342,000	382,500
	<u>995,307</u>	<u>1,219,311</u>	<u>956,814</u>	<u>1,980,073</u>

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

Trade creditors	82,813	110,725	74,056	96,513
Social security and other taxation	32,218	33,977	28,701	29,379
Corporation tax	-	500	-	-
Other creditors	152,234	119,341	10,291	8,824
Accruals and deferred income	344,422	324,411	217,122	258,699
	<u>611,687</u>	<u>588,954</u>	<u>330,170</u>	<u>393,415</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax				
Accelerated capital allowances	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>

Deferred
Tax
£

Balance at 1 April 2005	40,000
Released in the year	(40,000)
Balance at 31 March 2006	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2006**

11. RECONCILIATION OF MOVEMENT IN MEMBERS FUNDS

	<u>2006</u>	<u>Group</u>	<u>2005</u>	<u>2006</u>	<u>Company</u>	<u>2005</u>
	£		£	£		£
(Loss)/profit for the financial year after taxation/net addition to members' funds	(125,955)		9,959	(917,185)		5,845
Opening members' funds at 1 April 2005	2,429,832		2,419,873	1,991,397		1,985,552
Closing members' funds at 31 March 2006	<u>2,303,877</u>		<u>2,429,832</u>	<u>1,074,212</u>		<u>1,991,397</u>

12. 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.

13. COMPANY STATUS

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

14. 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 2006, there was a commitment in respect of the 2006 and 2007 shows. The potential liability for 2006 was £2,009,000 (2005 £2,009,000), and similar amount is expected in respect of the 2007 show.

15. OPERATING LEASE COMMITMENTS

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

	<u>2006</u>	<u>Land and</u>	<u>2005</u>	<u>Operating leases</u>	<u>2006</u>	<u>Other</u>	<u>2005</u>
	£	<u>buildings</u>	£		£		£
Expiring:							
Within one year	-	-	-		1,844		552
Between one and five years	-	-	-		16,059		15,685
In more than five years	8,300	8,300			-		-
	<u>8,300</u>	<u>8,300</u>			<u>17,903</u>		<u>16,237</u>