

MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED

ABBREVIATED ACCOUNTS

31 DECEMBER 1998

COMPANY NUMBER: 3279177 (England and Wales)



**REPORT OF THE AUDITORS TO THE DIRECTORS OF
MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 3 to 6, together with the full statutory accounts of the company for the year ended 31 December 1998 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The company's directors are responsible for the preparation of accounts in accordance with Section 246 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 sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

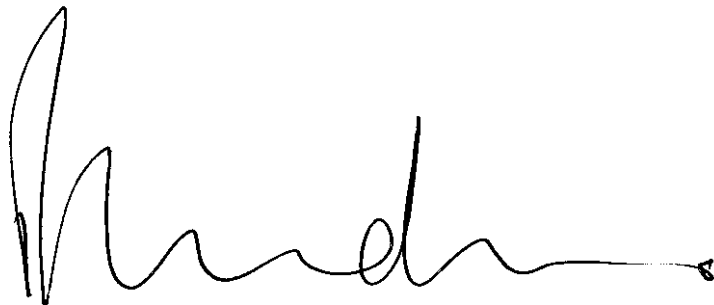
BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the accounts, 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 statutory accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the companies Act 1985, and the abbreviated accounts on pages 3 to 6 are properly prepared in accordance with those provisions.

**PROWTING & PARTNERS
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
23 WESTFIELD PARK
REDLAND
BRISTOL
15 OCTOBER 1999**




MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED**ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 1998**

	Notes	1998	1997
FIXED ASSETS			
Tangible Assets	2	61,119	14,771
Investments	2a	100	100
		<hr/>	<hr/>
		61,219	14,871
CURRENT ASSETS			
Debtors		174,623	42,495
Cash at Bank and in Hand		166,803	116,364
		<hr/>	<hr/>
		341,426	158,859
CREDITORS: Amounts payable within one year		<hr/>	<hr/>
		-343,323	-152,815
		<hr/>	<hr/>
NET CURRENT ASSETS		-1,897	6,044
TOTAL ASSETS LESS CURRENT LIABILITIES		£59,322	£20,915
CAPITAL AND RESERVES			
Called up Share Capital	3	100	2
Profit and Loss Account		59,222	20,913
SHAREHOLDERS FUNDS - All Equity		£59,322	£20,915

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the board on 15 October 1999 and signed on its behalf.



C FLETT
DIRECTOR

The notes on pages 3 to 6 form part of these statutory accounts.

MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED**NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998**

1. ACCOUNTING POLICIES**Accounting Basis**

The accounts are prepared under the historical cost basis of accounting and include the results of the company's operations as indicated in the Directors' Report.

Cash Flow

The company has taken advantage of the exemption in Financial Reporting Number 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover comprises commissions receivable by the company during the period.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value of each asset evenly over its expected useful life, as follows:-

Fixtures Fittings and Equipment	Over 3 Years
Computer Equipment	Over 3 Years

Deferred Taxation

Deferred taxation is not provided on the basis that, in the opinion of the directors, any such liability is unlikely to crystallise in the foreseeable future.

Consolidation

The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED**NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998****2. TANGIBLE FIXED ASSETS****COST**

	Fixtures and Fittings	Equipment	Total
At 1 January 1998	750	15,830	16,580
Additions	32,450	45,362	77,812
(Disposals)	0	0	0
At 31 December 1998	33,200	61,192	94,392

DEPRECIATION

At 1 January 1998	50	1,759	1,809
Charge for the year	11,067	20,397	31,464
(re Disposals)	0	0	0
At 31 December 1998	11,117	22,156	33,273

NET BOOK VALUE

At 31 December 1997	£700	£14,071	£14,771
At 31 December 1998	£22,083	£39,036	£61,119

2a INVESTMENTS

Cost	Subsidiary Undertaking	Total
At 31 December 1997 and At 31 December 1998	100	£100

The company's investment in its subsidiary company represents the cost of acquisition of eighty per cent of the ordinary share capital (80 Ordinary shares of £1 each) of Lyman and Hanley Insurance Services Limited, an insurance intermediary incorporated in England and Wales.

At 31 December 1998, the aggregate of share capital and reserves of Lyman and Hanley amounted to -£30,801 (1997-£7,350) and the loss for the year ended 31 December 1998 was -£23,451 (1997-£7,450)

MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED**NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998**

3.	SHARE CAPITAL	1998	1997
	Ordinary Shares of £1 each		
	Authorised	100	100
	Issued and Fully Paid	100	2

During the year 98 Ordinary Shares of £1 each were allotted, called up and fully paid at par.

4 RELATED PARTY TRANSACTIONS

During the period the company employed the administration services of A Drive Admin a business operated by Mrs Flett, the wife of one of the directors. Fees paid to that business during the period amounted to £8,500 (1997 £8,000).

5 HOLDING COMPANY

Blue Boar Holdings Limited, a company incorporated in England and Wales, held 80% of the issued share capital of Motor Cycle Direct Insurance Services Limited at the Balance Sheet date - (1997 -Nil).

The share interests of directors in the ultimate parent company are shown in the report and accounts of that company.