

MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED

ABBREVIATED FINANCIAL STATEMENTS

31ST DECEMBER 1999

REGISTERED NUMBER: 03279177



MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

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MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED

AUDITORS' REPORT TO

MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the Abbreviated Financial Statements set out on pages 2 to 5, together with the Financial Statements of the Company for the year ended 31st December 1999 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing the Abbreviated Financial Statements 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 Financial Statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the Financial Statements 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 considered necessary to confirm, by reference to the Financial Statements, that the Company is entitled to deliver Abbreviated Financial Statements and that the Abbreviated Financial Statements to be delivered are properly prepared. The scope of our work for the purpose of this Report does 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 Financial Statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the Abbreviated Financial Statements on pages 2 to 5 are properly prepared in accordance with those provisions.

Edmund Gibbs

Edmund Gibbs
Registered Auditors
Chartered Certified Accountants

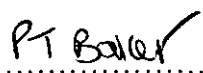
27th July 2000

MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED**ABBREVIATED BALANCE SHEET AS AT 31ST DECEMBER 1999**

| | <u>Notes</u> | <u>1999</u> | <u>1998</u> |
|---|--------------|-------------|-------------|
| <u>FIXED ASSETS</u> | | | |
| Tangible Assets | 2 | 268,102 | 61,119 |
| Investments | 3 | 129 | 100 |
| | | <hr/> | <hr/> |
| | | 268,231 | 61,219 |
| <u>CURRENT ASSETS</u> | | | |
| Debtors | | 673,276 | 174,623 |
| Cash at Bank and in Hand | | 470,599 | 166,803 |
| | | <hr/> | <hr/> |
| | | 1,143,875 | 341,426 |
| <u>CREDITORS: Amounts Payable</u> | | | |
| Within One Year | | (1,068,943) | (343,323) |
| | | <hr/> | <hr/> |
| <u>NET CURRENT ASSETS/ (LIABILITIES)</u> | | 74,932 | (1,897) |
| <u>TOTAL ASSETS LESS CURRENT LIABILITIES</u> | | | |
| | | <hr/> | <hr/> |
| | | £343,163 | £59,322 |
| | | <hr/> | <hr/> |
| <u>CAPITAL AND RESERVES</u> | | | |
| Called Up Share Capital | 4 | 100 | 100 |
| Profit and Loss Account | | 343,063 | 59,222 |
| | | <hr/> | <hr/> |
| <u>SHAREHOLDERS' FUNDS</u> | | £343,163 | £59,322 |
| | | <hr/> | <hr/> |

These Financial Statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The abbreviated Financial Statements on pages 2 to 5 were approved by the Board on 27th July 2000 and signed on its behalf by:



 P T BAKER (Director)

MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS AT 31ST DECEMBER 1999

1. ACCOUNTING POLICIES

(a) **Accounting Basis**

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

(b) **Cash Flow**

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

(c) **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.

(d) **Turnover**

Turnover comprises commissions receivable by the Company during the period.

(e) **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:-

| | |
|---------------------------------|--------------------|
| Leasehold Improvements | Period of Lease |
| Fixtures Fittings and Equipment | Over three years |
| Computer Equipment and Software | One to three years |

(f) **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.

(g) **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 ABBREVIATED FINANCIAL STATEMENTS AT 31ST DECEMBER 1999**
(CONTINUED)**2. TANGIBLE FIXED ASSETS**

| | <u>Leasehold Property</u> | <u>Fixtures & Fittings</u> | <u>Equipment</u> | <u>Total</u> |
|-----------------------------------|-------------------------------|------------------------------------|------------------|-----------------|
| <u>COST</u> | | | | |
| At 1 st January 1999 | - | 33,200 | 61,192 | 94,392 |
| Additions | 52,238 | 75,903 | 266,834 | 394,975 |
| Disposals | - | - | - | - |
| At 31 st December 1999 | <u>52,238</u> | <u>109,103</u> | <u>328,026</u> | <u>489,367</u> |
| <u>DEPRECIATION</u> | | | | |
| At 1 st January 1999 | - | 11,117 | 22,156 | 33,273 |
| Charge for the Year | 10,447 | 36,368 | 141,177 | 187,992 |
| Disposals | - | - | - | - |
| At 31 st December 1999 | <u>10,447</u> | <u>47,485</u> | <u>163,333</u> | <u>221,265</u> |
| <u>NET BOOK VALUE</u> | | | | |
| At 31 st December 1999 | <u>£41,791</u> | <u>£61,618</u> | <u>£164,693</u> | <u>£268,102</u> |
| At 31 st December 1998 | <u>£ -</u> | <u>£22,083</u> | <u>£39,036</u> | <u>£ 61,119</u> |

3. INVESTMENTS

| <u>Cost</u> | <u>Subsidiary Undertaking</u> | <u>Associated Company</u> | <u>Total</u> |
|-----------------------------------|-----------------------------------|-------------------------------|--------------|
| At 31 st December 1998 | 100 | - | 100 |
| Additions | - | 100 | 100 |
| Disposals | - | (71) | (71) |
| | <u>—</u> | <u>—</u> | <u>—</u> |
| At 31 st December 1999 | <u>£100</u> | <u>£29</u> | <u>£129</u> |

The Company's investment in its subsidiary company represents the cost of acquisition of 80% 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 31st December 1999, the aggregate of share capital and reserves of Lyman and Hanley amounted to deficit £34,369 (1998: £30,801) and the loss for the year ended 31st December 1999 was £3,568 (1998: £23,451).

The associated company represents 29 Ordinary Shares of £1 each in Premier Underwriting Limited, a company incorporated in England and Wales.

MOTOR CYCLE DIRECT INSURANCE SERVICES LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS AT 31ST DECEMBER 1999**
(CONTINUED)4. **SHARE CAPITAL**

| | <u>1999</u> | <u>1998</u> |
|-------------------------------------|--------------------|--------------------|
| <u>Authorised</u> | | |
| Ordinary Shares of £1 each | £100 === | £100 === |
| <u>Issued and Fully Paid</u> | | |
| Ordinary Shares of £1 each | £100 === | £100 === |

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 (1998: 80%).

Blue Boar Holdings Limited is the controlling party.