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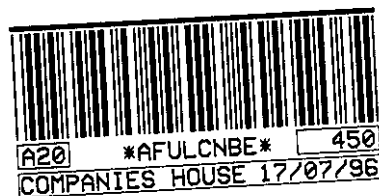
BRITISH MOTORCYCLISTS FEDERATION (ENTERPRISES) LIMITED

(Limited by Guarantee)

Jack Wiley House,
129, Seaforth Avenue,
Motspur Park,
Surrey.

REPORT AND ACCOUNTS
for the year ended
30TH JUNE, 1995

Everett & Son
CHARTERED ACCOUNTANTS
35, Paul Street,
LONDON, EC2A 4JU.



BRITISH MOTORCYCLISTS FEDERATION (ENTERPRISES) LIMITED

REPORT AND ACCOUNTS
year ended 30TH JUNE, 1995

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REPORT OF THE DIRECTORS

The Directors submit their Report and the audited Accounts of the Company for the year ended 30th June, 1995.

1). PRINCIPAL ACTIVITY

The Company carries on the business of financing, administering and managing The British Motorcyclists Federation, an unincorporated body, whose principal activity remains the promotion and protection of the interests of motorcyclists.

2). REVIEW OF BUSINESS

The results for the year are set out in the attached Accounts.

3). FIXED ASSETS

Changes in the Company's tangible fixed assets are detailed in Note 6 on page 8.

4). DIRECTORS

The Directors who served during the year under review and subsequently were as follows:-

S. Bergman (Chairman)			G. Bergman	- Appointed	8.10.94.
A. Bridgman			M. Flanagan	- Appointed	8.10.94.
T. Reynolds				Resigned	27.11.94.
T. Stevens			J. Ellerby	- Appointed	8.10.94.
G. Wilson				Resigned	31.12.94.
S. Nash			C. Pate	- Appointed	8.10.94.
D. Crofts			I. McLintock	- Resigned	30.11.94.
F. Tolley			P. Booth	- Appointed	14.10.95.
S. Mowatt	- Resigned	20. 8.94.	M. Jarvis	- Appointed	14.10.95.
S. Evans	- Resigned	1.10.94.	T. Brown	- Appointed	14.10.95.
A. Minter	- Resigned	8.10.94.		Resigned	8.3.96.
J. Mowatt	- Resigned	8.10.94.	J. Stewart	- Appointed	14.10.95.
P. Sorfleet	- Appointed	8.10.94.		Resigned	10.3.96.

REPORT OF THE DIRECTORS - contd...

5). STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires 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, the Directors are required to:-

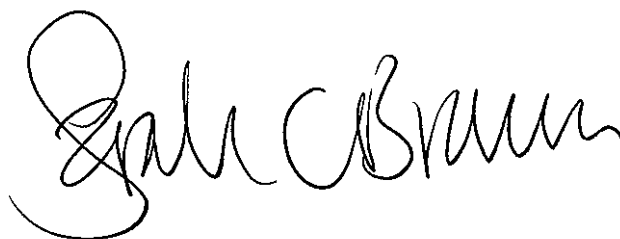
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping 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. The Directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

6). AUDITORS

The Auditors, Messrs. Everett & Son, Chartered Accountants, have agreed to continue in office and offer themselves for re-appointment in accordance with the provisions of Section 384, Companies Act 1985.

BY ORDER OF THE BOARD



S. Brown

REPORT OF THE AUDITORS

To the Members of British Motorcyclists Federation (Enterprises) Limited.

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditors

As described on page 2 the Company's Directors are responsible for the preparation of the financial statements. 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 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 of the state of the Company's affairs as at 30th June, 1995 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Everett & Son

CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

35, Paul Street,
LONDON, EC2A 4JU.

15th June, 1996.

INCOME AND EXPENDITURE ACCOUNT - YEAR ENDED 30TH JUNE, 1995

	<u>Notes</u>	<u>1994/95</u> £	<u>1993/94</u> £
Income from Subscriptions and Activities - see page 11		269,969	261,430
Expenditure - see page 12		<u>302,272</u>	<u>322,685</u>
Operating Deficit	2	(32,303)	(61,255)
Exceptional Items	3	(26,253)	(5,461)
Investment Income	4	<u>6,226</u>	<u>9,569</u>
Deficit on Ordinary Activities for the year before taxation		(52,330)	(57,147)
Taxation	5	<u>5,250</u>	<u>6,011</u>
Deficit on Ordinary Activities for the year after taxation		(57,580)	(63,158)
Accumulated Fund brought forward		<u>148,852</u>	<u>212,010</u>
Accumulated Fund carried forward		<u>91,272</u>	<u>148,852</u>

Continuing Operations

Apart from the merchandising of goods which is now undertaken by a third party, the effect of which is not material, none of the Company's activities was acquired or discontinued during either of the above two financial years.

Total Recognised Gains and Losses

The Company has no recognised gains or losses other than the deficit for the above two financial years.

BALANCE SHEET AT 30TH JUNE, 1995

	<u>Notes</u>	<u>30.6.95.</u>	<u>30.6.94.</u>
		£	£
<u>TANGIBLE FIXED ASSETS</u>	6	63,686	62,735
<u>CURRENT ASSETS</u>			
Stock in Trade	1d). & 7	13,972	12,026
Debtors	8	27,814	49,517
Bank and Cash Balances		<u>306,795</u>	<u>230,704</u>
		<u>348,581</u>	<u>292,247</u>
<u>Less: CREDITORS: Amounts falling due within one year</u>	9	<u>320,995</u>	<u>206,130</u>
<u>NET CURRENT ASSETS</u>		<u>27,586</u>	<u>86,117</u>
<u>NET ASSETS</u>		<u>91,272</u>	<u>148,852</u>
<u>CAPITAL AND RESERVES</u>			
<u>ACCUMULATED FUND</u> - see page 4		<u>91,272</u>	<u>148,852</u>



S. Bergman)
S. Nash) Directors

15th June, 1996.

The notes on pages 6 to 10 form part of these accounts.

NOTES TO THE ACCOUNTS AT 30TH JUNE, 1995

1). ACCOUNTING POLICIES

a). Accounting Convention

The accounts have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

b). Subscriptions are treated as accruing on a monthly basis and the unexpired proportion of each subscription received at the year end is therefore carried forward to the following year.

c). Depreciation is charged to spread the cost of assets over their estimated useful life. The reducing balance basis is used applying the following rate:-

Furniture and Equipment 15%

The Freehold Property, which appears in the Accounts at cost, is not depreciated. This policy is not in accordance with Statement of Standard Accounting Practice No. 12.

d). Stock has been valued at the lower of cost or net realisable value, a basis consistent with previous years.

2). OPERATING DEFICIT

The operating deficit for the year is stated after charging, in particular:

	<u>1994/95</u>	<u>1993/94</u>
	<u>£</u>	<u>£</u>
Depreciation of Tangible Fixed Assets	3,950	3,802
Staff Costs:		
Salaries	78,078	60,416
Social Security Costs	6,435	4,524
Auditors' Remuneration	2,500	1,500
Fees paid to Auditors for other services	14,500	12,500
Hire of Equipment	<u>6,302</u>	<u>3,021</u>
	<u>111,765</u>	<u>85,763</u>

No director received any remuneration from the Company. Directors are, however, reimbursed for expenses necessarily incurred in the performance of their duties.

The average number of employees, excluding directors, during the year was 6 (1994: 4). In addition, a total of 22 directors served for part or the whole of the year (1994: 21).

NOTES TO THE ACCOUNTS AT 30TH JUNE, 1995 - continued...

3). EXCEPTIONAL ITEMS

	<u>1994/95</u>	<u>1993/94</u>
	£	£
These comprise:-		
Merchandising Account	12,253	-
Settlement of Legal Actions	-	6,265
Refund of Local Business Rates	-	(804)
Settlement of Unfair Dismissal Claims	<u>14,000</u>	<u>-</u>
	<u>26,253</u>	<u>5,461</u>

4). INVESTMENT INCOME

	<u>1994/95</u>	<u>1993/94</u>
	£	£
Interest received on Bank Deposits	<u>6,226</u>	<u>9,569</u>

5). TAXATION

The company is liable to corporation tax on its investment income and on a proportion of the royalties it receives from outside sources. The liability for the year has been computed at 25% and fell due for payment on 1st April, 1996 in the sum of £5,250.

NOTES TO THE ACCOUNTS AT 30TH JUNE, 1995 - continued...

6). TANGIBLE FIXED ASSETS

a). <u>Summary of Movements</u>	Freehold Property	Furniture and Equipment	Total
	£	£	£
<u>Cost</u>			
At 1st July, 1994	41,299	44,380	85,679
Additions	-	4,901	4,901
Disposals	-	-	-
At 30th June, 1995	41,299	49,281	90,580
<u>Depreciation</u>			
At 1st July, 1994	-	22,944	22,944
Charge for year	-	3,950	3,950
Eliminated on Disposals	-	-	-
At 30th June, 1995	-	26,894	26,894
<u>Net Book Value</u>			
At 1st July, 1994	41,299	21,436	62,735
At 30th June, 1995	41,299	22,387	63,686

b). Market Valuation

The Directors are of the opinion that the market value of the freehold property is in excess of original cost, as shown above, but do not consider that the expense of a professional valuation is justified.

c). Capital Commitments

The Directors had contracted for capital expenditure in the sum of £Nil at 30th June, 1995 (30.6.94: £750).

NOTES TO THE ACCOUNTS AT 30TH JUNE, 1995 - continued...

7). STOCK IN TRADE

	<u>30.6.95.</u>	<u>30.6.94.</u>
	<u>£</u>	<u>£</u>
Motorcycle (Draw Prize)	-	4,910
Badges, clothing and regalia for resale	<u>13,972</u>	<u>7,116</u>
	<u>13,972</u>	<u>12,026</u>

The directors consider that the current replacement cost of stock would not differ materially from the above stated historical cost.

8). DEBTORS

	<u>30.6.95.</u>	<u>30.6.94.</u>
	<u>£</u>	<u>£</u>
Trade and Other Debtors	24,024	31,572
Prepayments	142	7,600
BMF Merchandising (P. Rogers)	<u>3,648</u>	<u>10,345</u>
	<u>27,814</u>	<u>49,517</u>

9). CREDITORS: Amounts falling due within one year

	<u>30.6.95.</u>	<u>30.6.94.</u>
	<u>£</u>	<u>£</u>
Bank Overdraft	41,585	-
Trade Creditors and Accruals	145,249	74,416
Subscriptions Received in Advance	94,445	93,714
Corporation Tax (see Note 5)	5,250	6,011
Other Taxes and Social Security Costs	33,370	25,212
Other Creditors	<u>1,096</u>	<u>6,777</u>
	<u>320,995</u>	<u>206,130</u>

NOTES TO THE ACCOUNTS AT 30TH JUNE, 1995 - continued...

10). CONTINGENT LIABILITIES

Legal Actions - In addition to two claims for unfair dismissal brought by former employees, the final outcome of which has yet to be determined but for which full estimated provision has been made either within Exceptional Items (Note 3) or Legal and Professional Charges (Page 12), the Company is defending two claims relating to its affinity credit card introduced in May 1995.

These claims, brought by Transnational Financial Services Limited and Affinity Group Insurance Services Limited are, in the opinion of the Directors supported by legal advice, without foundation and are being strongly contested. Apart from estimated legal costs incurred to date for which provision has been made within Legal and Professional Charges (Page 12), no provision has been made in the Accounts in respect of these claims.

INCOME - YEAR ENDED 30TH JUNE, 1995

	<u>1994/95</u>		<u>1993/94</u>	
	£	£	£	£
Subscriptions:				
Club	10,310		10,401	
Individual and Corporate, including Joining Fees	33,299		55,094	
Sprint and other Special Schemes	<u>9,464</u>		<u>14,628</u>	
		53,073		80,123
Fighting Fund Contributions		16,353		19,670
Commissions Receivable:				
Insurance Scheme	3,544		766	
R.A.C.	3,819		3,697	
Other	<u>841</u>		<u>737</u>	
		8,204		5,200
Badges, Regalia &c:				
Sales	-		63,637	
Cost of Sales	<u>-</u>		<u>53,946</u>	
		-		9,691
Peterborough Rally:				
Income	361,167		302,728	
Expenditure	<u>188,103</u>		<u>180,798</u>	
		173,064		121,930
Other Events:				
National Rally	600		1,000	
Sundry	<u>1,888</u>		<u>-</u>	
		2,488		1,000
Motorcycle Rider:				
Sales and Subscriptions	96,522		107,319	
Advertising	<u>7,603</u>		<u>4,492</u>	
	104,125		111,811	
Production Costs	(47,345)		(53,376)	
Distribution	<u>(39,993)</u>		<u>(34,619)</u>	
		<u>16,787</u>		<u>23,816</u>
		<u>269,969</u>		<u>261,430</u>

EXPENDITURE - YEAR ENDED 30TH JUNE, 1995

	<u>1994/95</u> £	<u>1993/94</u> £
Salaries	78,078	60,416
National Insurance	6,435	4,524
Consultancy and Other Fees	25,375	48,065
Rates and Water, Storage, Fuel and Insurance	6,392	5,430
Repairs and Renewals	3,137	4,432
Telephone	8,926	10,865
Printing, Stationery and Computer Supplies	25,464	27,244
Postage	17,755	22,466
Photocopying	8,705	7,005
Handbook and Member Promotions	-	2,280
Subscriptions and Donations	13,229	12,057
Advertising and Publicity	17,495	14,311
Outside Events and Regions	9,740	5,346
Meetings and Conferences	6,183	2,512
Travelling, Entertaining and Hotel Expenses	32,016	51,176
Bank Charges and Interest	6,467	7,137
Credit Card Charges	1,793	3,270
Legal and Professional Charges	12,730	14,945
Audit and Accountancy	16,500	14,000
Sundry Expenses	1,902	1,402
Depreciation	<u>3,950</u>	<u>3,802</u>
	<u>302,272</u>	<u>322,685</u>