

PAGE 1

RUCANOR LIMITED

DIRECTORS

Paul Edwin Jermy
Jacob Van Ryswyk
Sheila Jermy

SHAREHOLDINGS

30TH SEPTEMBER, 1985

399 Ordinary Shares
100 Ordinary Shares
Nil

30TH SEPTEMBER, 1986

800 Ordinary Shares
100 Ordinary Shares
Nil

SECRETARY

Sheila Jermy

REPORT OF THE DIRECTORS

To be submitted to the Shareholders at the Thirtieth Annual General Meeting.

The Report and Accounts now before you are for the year ended 30th September, 1986, from which you will see there was a Net Profit for the year of £68,078. This has been credited to Profit and Loss Account, increasing the Balance to £1,236,387.

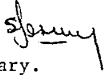
In the opinion of the Directors the Company's Property has a value of not less than £150,000.

The only activity carried on by the Company during the year was the Wholesale Distribution of Sports Goods.

The Company exported goods to the value of £28,077 during the year.

No Dividend is recommended for the year.

By Order of the Board.


Secretary.

Dated : 15th June, 1987.

570708

2
2
9
8
7

PAGE 2

AUDITORS REPORT TO THE MEMBERS OF RUCANOR LIMITED

We have audited the financial statements set out on Pages 3 to 6 in accordance with approved Auditing Standards.

As mentioned in Note 1 to the Accounts, Depreciation of the Property as required by Statement of Standard Accounting Practice No. 12 has not been charged. We concur with this treatment for the reasons given by the Directors in Note 1.

In our opinion, the financial statements, which have been prepared under the Historical Cost Convention, give a true and fair view of the state of the Company's affairs at 30th September, 1986, and of its Profit and source and application of funds for the year then ended, and comply with the Companies Act 1985.

165, New London Road,
Chelmsford, Essex.

15th June, 1987

MAYOR, CUTTLE AND CO.
Chartered Accountants.

RUCANOR LIMITED
BALANCE SHEET AS AT 30TH SEPTEMBER, 1986

	NOTE	(1986)	(1985)
		£	£
<u>FIXED ASSETS</u>	2	171,462	178,677
<u>CURRENT ASSETS</u>			
Stock	1	530,230	844,206
Debtors and Prepayments		403,267	469,354
Corporation Tax Repayable		-	2,959
Cash in Hand		199	887
Loans		3,153	4,389
Cash at Bank		<u>504,335</u>	<u>13,524</u>
		1,441,184	1,335,319
		=====	=====
<u>CREDITORS FALLING DUE WITHIN ONE YEAR</u>			
Creditors Falling Due Within One Year	3	343,884	342,991
Corporation Tax		<u>19,075</u>	<u>167</u>
		362,959	343,158
		=====	=====
<u>NET CURRENT ASSETS</u>		<u>1,078,225</u>	<u>992,161</u>
		1,249,687	1,170,838
<u>LESS PROVISION FOR DEFERRED TAX</u>		<u>12,300</u>	<u>1,529</u>
		1,237,387	1,169,309
		=====	=====
<u>FINANCED BY :</u>			
<u>CALLED UP SHARE CAPITAL</u>		1,000	1,000
<u>PROFIT AND LOSS ACCOUNT</u>		<u>1,236,387</u>	<u>1,168,309</u>
		1,237,387	1,169,309
		=====	=====

..... Director

..... Director

) Dated : 15th June, 1987

The Notes on Page 6 form part of these Accounts.

RUCANOR LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 1986

	NOTE	£	£	£	£
TURNOVER (Sales for the Year)			2,619,845		2,508,848
Less Cost of Sales			1,976,948		1,935,263
Gross Profit			642,897		573,585
Less Administration Expenses		374,567		388,817	
Distribution and Selling Expenses		191,328		190,858	
Less Other Income		(4,031)		(517)	
Interest Receivable		(16,724)		(3,281)	
		=====	545,140	=====	575,877
Profit on Ordinary Activities before Taxation	6		97,757		(2,292)
Taxation	4		29,679		(4,453)
PROFIT AFTER TAXATION			68,078		2,161
Profit of Earlier Year Brought Forward			1,168,309		1,166,148
Profit Carried Forward as on the Balance Sheet			1,236,387		1,168,309
			=====		=====

The Notes on Page 6 form part of these Accounts.

RUCANOR LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30TH SEPTEMBER, 1986

	<u>£</u>	<u>(1986)</u>	<u>£</u>	<u>(1985)</u>	<u>£</u>
<u>SOURCE OF FUNDS</u>					
Profit Before Tax		97,757		(2,292)	
Adjustment for items not involving the movement of funds					
Depreciation		19,779		21,065	
Profit on Sale of Fixed Assets		(2,061)		(517)	
<u>TOTAL GENERATED FROM OPERATIONS</u>		115,475		18,256	
<u>FUNDS FROM OTHER SOURCES</u>					
Sale of Fixed Assets		14,800		6,000	
		130,275		24,256	
<u>APPLICATION OF FUNDS</u>					
Tax Paid	(2,959)		(14,427)		
Purchase of Fixed Assets	25,303		27,383		
	=====	22,344	=====	12,956	
		107,931		11,300	
		=====		=====	
<u>INCREASE/DECREASE IN WORKING CAPITAL</u>					
Decrease in Stocks		(313,976)		(194,820)	
Increase/Decrease in Debtors and Prepayments		(67,323)		79,287	
Decrease/Increase in Creditors		(893)		(45,047)	
Decrease in Loans		-		55,026	
<u>MOVEMENT IN NET LIQUID FUNDS</u>					
Cash in Hand		(688)		887	
Cash at Bank		490,811		115,967	
		107,931		11,300	
		=====		=====	

RUCANOR LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 19861. ACCOUNTING POLICIES

The following Accounting Policies have been used consistently in dealing with items which are considered material in relation to the Company's Accounts.

(a) BASIS OF ACCOUNTING

The Accounts have been prepared under Historical Cost Accounting rules as set out in the 8th Schedule to the Companies Act 1948.

(b) DEPRECIATION

Depreciation has been calculated at 15% of the Net Book Values of the Fixtures, Fittings and Equipment and 25% of the Net Book Values of the Vehicles. No Depreciation has been charged against Cost of Property of £90,845 required by S.S.A.P. 12 as the Directors consider that with proper maintenance its life will be capable of indefinite extension.

(c) PENSION SCHEME

Payments made to the Company Pension Scheme are charged against profit as and when due, so that no provision is made against any actuarial deficit.

(d) DEFERRED TAXATION

Deferred Tax has been calculated at 29.5% of the difference between the Book Values and the Tax Written Down Values of the Fixtures, Fittings, Equipment and Vehicles.

(e) STOCK

Stock has been valued by the Directors at the lower of Cost or Net Realisable Value.

2. FIXED ASSETS : TANGIBLE ASSETS

	<u>VEHICLES AND EQUIPMENT</u>	<u>PROPERTY</u>	<u>TOTAL</u>
Cost as at 1st October, 1985	205,918	90,845	296,763
Additions	25,303	-	25,303
Disposals	(26,681)	-	(26,681)
Cost as at 30th September, 1986	204,540	90,845	295,385
	=====	=====	=====
Depreciation as at 1st October, 1985	118,086	Nil	118,086
Charge for the Year	19,779	-	19,779
Disposals	(13,942)	-	(13,942)
Depreciation as at 30th September, 1986	123,923	Nil	123,923
	=====	=====	=====
Net Book Value 30th September, 1985	87,832	90,845	178,677
	=====	=====	=====
Net Book Value 30th September, 1986	80,617	90,845	171,462
	=====	=====	=====

PAGE 6 (CONTINUED)

RUCANOR LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1986

3. <u>CREDITORS PAYABLE WITHIN ONE YEAR</u>	<u>30.9.1986</u>	<u>30.9.1985</u>
	<u>£</u>	<u>£</u>
Trade Creditors	47,847	41,331
Expense Creditors	228,084	247,914
Accruals	24,815	12,406
Value Added Tax	<u>43,138</u>	<u>41,340</u>
	343,884	342,991
	=====	=====

4. CORPORATION TAX

This is a "Close" Company.

The Corporation Tax charge for the Year is £29,679.

The Charge in the Profit and Loss Account is arrived at as follows :-

	<u>(1986)</u>	<u>(1985)</u>
	<u>£</u>	<u>£</u>
Corporation Tax for the Year ended 30th September, 1986	18,908	167
Interest on Corporation Tax repaid	-	(806)
Deferred Taxation	10,771	(855)
Over provision for previous years	<u>-</u>	<u>(2,959)</u>
	29,679	(4,453)
	=====	=====

5. CALLED UP SHARE CAPITAL

The Company's Share Capital has not altered in the two years being

	<u>AUTHORISED</u>	<u>ISSUED AND FULLY PAID</u>
Ordinary Shares of £1 each	£1,000	£1,000
	=====	=====

6. EXPENSES CHARGED IN REACHING PROFIT FOR THE YEAR

	<u>(1986)</u>	<u>(1985)</u>
	<u>£</u>	<u>£</u>
(1) Directors Remuneration	76,533	83,625
Auditors Remuneration	3,000	2,500
Depreciation	19,779	21,065
Profit on Disposals	<u>(2,061)</u>	<u>(517)</u>
Bank Interest and Charges	7,876	14,138
	=====	=====

(2) DIRECTORS REMUNERATION

Fees	35,000	35,000
Other Emoluments	<u>41,533</u>	<u>48,625</u>
	76,533	83,625
	=====	=====

PAGE 6 (CONTINUED)

RUCANOR LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1986

	<u>(1986)</u>	<u>(1985)</u>
	<u>£</u>	<u>£</u>
The Chairman Received	48,433	55,625
1 Director Received Remuneration within the band £25,001 - £30,000.		