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PATRICK WILKINSON (SADDLERS) LIMITED

31ST JANUARY, 1996

FINANCIAL STATEMENTS

SMAILES, GOLDIE & CO.
Chartered Accountants



Company number 2027774

PATRICK WILKINSON (SADDLERS) LIMITED

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PATRICK WILKINSON (SADDLERS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JANUARY, 1996

1. Principal activities

The principal activity of the company is the purchase and sale of bloodstock requisites and the manufacture and repair of saddlery and leather goods.

2. Directors and their interests

The directors at 31st January, 1996 and their interests in the share capital of the company were as follows:

	<u>Ordinary shares</u> <u>of £1 each</u> <u>1995 and 1996</u>
P. T. Wilkinson	250
J. O. Wilkinson	-
J. M. Wilkinson	750

The company's Articles of Association do not require directors to retire by rotation.

This report has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to these exemptions as a small company.

ON BEHALF OF THE BOARD


P. T. WILKINSON

Director

29th November, 1996.
Registered office:
108 Walkergate,
Beverley,
HU17 9BT

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF PATRICK WILKINSON (SADDLERS) LIMITED

We report on the accounts for the year ended 31st January, 1996 set out on pages 3 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 5 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit.

In accordance with their instructions and in order to assist the directors to fulfil their responsibilities we have prepared the accounts on pages 3 to 11 from the accounting records and from information and explanations supplied to us.

We have not performed an audit and we do not provide any assurance that the accounts show a true and fair view, which remains the sole responsibility of the directors.

It is our responsibility to carry out procedures designed to enable us to report our opinion.

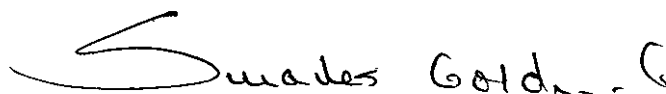
BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- a) the accounts are in agreement with those accounting records kept by the company under Section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



SMAILES, GOLDIE & CO.

29th November, 1996.
Station Court,
St. Stephen's Square,
Hull, HU1 3XL

Chartered Accountants

PATRICK WILKINSON (SADDLERS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JANUARY, 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
Turnover	2	234,913	206,921
Cost of sales		184,992	146,984
Gross profit		49,921	59,937
Administrative expenses		46,143	44,774
Operating profit	3	3,778	15,163
Interest payable	4	3,606	3,916
Profit on ordinary activities before taxation		172	11,247
Taxation	5	(360)	3,089
Profit on ordinary activities after taxation		532	8,158
Dividends	6	-	2,050
Retained profit for the financial year		532	6,108
Retained profits brought forward		9,955	3,847
Retained profits carried forward		£ 10,487	£ 9,955

The only recognised gain for the year is the profit for the year of £532 (1995 £8,158).

There were no acquisitions and no discontinued operations in the year or the previous year.

The annexed notes form part of these financial statements.

PATRICK WILKINSON (SADDLERS) LIMITED

BALANCE SHEET AT 31ST JANUARY, 1996

	<u>Notes</u>	<u>1996</u>		<u>1995</u>	
		£	£	£	£
Fixed assets					
Tangible fixed assets	7		13,273		4,254
Current assets					
Stocks and work in progress	8	52,235		56,750	
Debtors	9	7,378		8,284	
Corporation tax repayable		1,085		-	
Cash		17		18	
		<u>60,715</u>		<u>65,052</u>	
Creditors: amounts falling due within one year					
Creditors	10	48,105		42,272	
Corporation tax		-		2,575	
Bank overdraft	11	3,791		4,967	
		<u>51,896</u>		<u>49,814</u>	
Net current assets			8,819		15,238
Total assets less current liabilities			<u>22,092</u>		<u>19,492</u>
Creditors: amounts falling due after more than one year					
Bank loan	12	5,679		8,537	
Obligations under finance leases and hire purchase contracts	13	4,201	9,880	-	8,537
Provision for liabilities and charges					
Deferred taxation	14		725		-
Net assets			<u>£ 11,487</u>		<u>£ 10,955</u>
Capital and reserves					
Called up share capital	15		1,000		1,000
Profit and loss account			10,487		9,955
Shareholders' funds	16		<u>£ 11,487</u>		<u>£ 10,955</u>

The directors are satisfied that the company was entitled to exemption under Subsection (2) of Section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to Subsection (2) of Section 249B in relation to the accounts for the financial year.

(continued overleaf)

PATRICK WILKINSON (SADDLERS) LIMITED

BALANCE SHEET AT 31ST JANUARY, 1996 (CONTINUED)

The directors acknowledge their responsibilities for:

- i) ensuring that the company keeps accounting records which comply with Section 221; and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

Approved by the Board on 29th November, 1996.



P. T. WILKINSON - Director

The annexed notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JANUARY, 1996

1. Accounting policies

The principal accounting policies have remained unchanged from the previous year and are set out below.

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

b) Turnover

Turnover is the amount receivable by the company in the ordinary course of business for goods supplied as a principal and for services provided.

c) Depreciation

Depreciation is calculated to write down the cost or valuation of fixed assets by equal annual instalments over their expected useful lives.

The rates generally applicable are:

Fixtures and fittings	10%
Motor vehicles	25%

d) Stock

Stock is stated at the lower of cost and net realisable value.

e) Deferred taxation

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in these accounts.

The provision is made for deferred taxation calculated on the liability method at the appropriate rates of corporation tax at which the differences are expected to reverse.

f) Finance leases and hire purchase contracts.

Assets acquired under finance leases and hire purchase contracts are treated as fixed assets. The amount capitalised is the present value of the minimum lease payments payable during the lease term. Depreciation is charged to the profit and loss account in accordance with the normal depreciation policy over the shorter of the lease term and the useful life of the assets.

The corresponding lease commitments are shown as liabilities. The interest element of rental obligation is charged to the profit and loss account over the period of the lease on a straight line basis.

Rentals payable under operating leases are charged to the profit and loss account over the period of the lease on a straight line basis.

PATRICK WILKINSON (SADDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JANUARY, 1996

2. Turnover

The turnover is wholly attributable to the sale of bloodstock requisites and the manufacture and repair of saddlery and leather goods in the United Kingdom.

3. Operating profit

(a) The operating profit for the year is stated after charging or (crediting):

	<u>1996</u> £	<u>1995</u> £
Directors emoluments	16,250	11,750
Depreciation - owned assets	1,636	361
- leased assets	1,546	2,550
Operating lease rental - other	588	726
Profit on disposal of fixed assets	(4,725)	-
	<u> </u>	<u> </u>

(b) Directors remuneration

£ 16,250	£ 11,750
<u> </u>	<u> </u>

4. Interest payable and similar charges

Included in this category are:

Finance charges payable - finance leases
and hire purchase contracts

<u>1996</u> £	<u>1995</u> £
£ 305	£ 665
<u> </u>	<u> </u>

5. Taxation

Tax on the profit on ordinary activities

Corporation tax at 25%

Deferred tax

Taxation under provided in previous years

Corporation tax

<u>1996</u> £	<u>1995</u> £
(1,085)	3,088
725	-
-	1
<u> </u>	<u> </u>
£ (360)	£ 3,089
<u> </u>	<u> </u>

6. Dividends

Ordinary - paid

<u>1996</u> £	<u>1995</u> £
£ -	£ 2,050
<u> </u>	<u> </u>

PATRICK WILKINSON (SADDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JANUARY, 1996

7. Tangible fixed assets	<u>Total</u>	<u>Office</u>	<u>Fixtures</u>	<u>Motor</u>
	<u>£</u>	<u>improvements</u>	<u>and</u>	<u>vehicles</u>
		<u>£</u>	<u>fittings</u>	<u>£</u>
Cost:				
At 1st February, 1995	19,659	-	9,459	10,200
Additions	13,476	800	306	12,370
Disposals	(10,200)	-	-	(10,200)
At 31st January, 1996	22,935	800	9,765	12,370
Depreciation:				
At 1st February, 1995	15,405	-	7,755	7,650
Provided during the year	3,182	-	361	2,821
Disposals	(8,925)	-	-	(8,925)
At 31st January, 1996	9,662	-	8,116	1,546
Net book value				
At 31st January, 1996	£ 13,273	800	1,649	10,824
At 31st January, 1995	£ 4,254	-	1,704	2,550

The following assets held under finance leases and hire purchase contracts are included in tangible fixed assets.

	<u>Motor vehicles</u>	
	<u>31st January,</u>	<u>31st January,</u>
	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Gross amount	12,370	10,200
Depreciation	1,546	7,650
Net book value	£ 10,824	£ 2,550

8. Stocks	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Finished goods and goods for resale	£ 52,235	£ 56,750

PATRICK WILKINSON (SADDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JANUARY, 1996

	<u>1996</u>	<u>1995</u>
	£	£
9. Debtors		
Trade debtors	3,972	5,492
Other debtors	3,406	2,792
	<u>£ 7,378</u>	<u>£ 8,284</u>

	<u>1996</u>	<u>1995</u>
	£	£
10. Creditors: amounts falling due within one year		
Trade creditors	34,406	27,103
Taxation and social security costs	1,557	4,131
Current instalments due on bank loan (note 12)	2,500	2,500
Obligations under hire purchase contracts (note 13)	1,626	185
Other creditors	8,016	8,353
	<u>£ 48,105</u>	<u>£ 42,272</u>

11. Bank overdraft

The bank overdraft is secured.

12. Bank loan

The bank loan bears interest at 5% over base rate and is repayable over 10 years by equal monthly instalments of £208.

	<u>1996</u>	<u>1995</u>
	£	£
Amounts repayable within five years	<u>£ 8,179</u>	<u>£ 11,037</u>

The current portion of the loan amounting to £2,500 (1995 £2,500) is shown in current liabilities.

The loan is secured.

PATRICK WILKINSON (SADDLERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JANUARY, 1996

13. Obligations under leases and hire purchase contracts

a) Finance leases and hire purchase contracts

At 31st January, 1996 the company had future obligations as set out below:	<u>1996</u> £	<u>1995</u> £
Payment due:		
Within one year	2,082	240
In the second to fifth years inclusive	5,378	-
	<u>7,460</u>	<u>240</u>
Less Finance charges allocated to future periods	1,633	55
	<u>£ 5,827</u>	<u>£ 185</u>
Obligations due under finance leases are shown in the balance sheet as:		
Amounts falling due within one year	1,626	185
Amounts falling due after more than one year	4,201	-
	<u>£ 5,827</u>	<u>£ 185</u>

b) Operating leases

Anticipated payments under operating leases for the year ended 31st January, 1997 in respect of commitments that expire:

	<u>Other</u> £
Within one year	-
In the second to fifth years inclusive	560
Over five years	-
	<u>£ 560</u>

14. Deferred taxation

Deferred taxation provided in the accounts is as follows:

	<u>1996</u> £	<u>1995</u> £
Accelerated capital allowances	£ 725	£ -