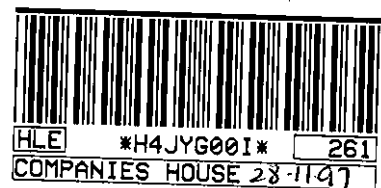


Patrick Wilkinson (Saddlers) Limited

31st January, 1997

Financial Statements



Smailes, Goldie & Co.
Chartered Accountants

Patrick Wilkinson (Saddlers) Limited

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Patrick Wilkinson (Saddlers) Limited

Directors' Report

for the year ended 31st January, 1997

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, 1997 and their interests in the share capital of the company were as follows:

	Ordinary shares of £1 each 1996 and 1997
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 in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On Behalf of the Board



P. T. Wilkinson
Director

Registered office:
108 Walkergate,
Beverley,
HU17 9BT

28th November 1997

Patrick Wilkinson (Saddlers) Limited
Profit and Loss Account
for the year ended 31st January, 1997

	Note	1997 £	1996 £
Turnover	2	244,595	234,913
Cost of sales		168,970	184,992
Gross profit		75,625	49,921
Other operating income		(560)	-
Administrative expenses		60,030	46,143
Operating profit	3	16,155	3,778
Interest payable	4	3,687	3,606
Profit on ordinary activities before taxation		12,468	172
Taxation	5	3,000	(360)
Profit on ordinary activities after taxation		9,468	532
Dividends	6	800	-
Retained profit for the financial year		8,668	532
Retained profits brought forward		10,487	9,955
Retained profits carried forward		19,155	10,487

The only recognised gain for the year is the profit for the year of £9,468 (1996 £532).

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, 1997

	Note	1997	1996
		£	£
Fixed assets			
Tangible fixed assets	7	9,819	13,273
Investment	8	2,000	-
Current assets			
Stocks and work in progress	9	72,250	52,235
Debtors	10	6,422	7,378
Corporation tax repayable		1,085	1,085
Cash		17	17
		<u>79,774</u>	<u>60,715</u>
Creditors: amounts falling due within one year			
Creditors	11	54,390	43,979
Corporation tax		3,125	-
Finance debt	12	8,498	7,917
		<u>66,013</u>	<u>51,896</u>
Net current assets		<u>13,761</u>	<u>8,819</u>
Total assets less current liabilities		<u>25,580</u>	<u>22,092</u>
Creditors: amounts falling due after more than one year			
Finance debt	12	5,025	9,880
Provision for liabilities and charges			
Deferred taxation	13	400	725
Net assets		<u>20,155</u>	<u>11,487</u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Profit and loss account		19,155	10,487
Shareholders' funds	15	<u>20,155</u>	<u>11,487</u>

The directors are satisfied that the company was entitled to exemption under Subsection (1) 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, 1997 (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.

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

Approved by the Board on 28th November 1997



P. T. Wilkinson - Director

The annexed notes form part of these financial statements.

Patrick Wilkinson (Saddlers) Limited

Notes to the Financial Statements

for the year ended 31st January, 1997

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, 1997

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):

	1997 £	1996 £
Directors emoluments	18,916	16,250
Depreciation - owned assets	361	1,636
- leased assets	3,093	1,546
Operating lease rental - other	612	588
Profit on disposal of fixed assets	-	(4,725)
	<u>18,916</u>	<u>16,250</u>
(b) Directors remuneration	<u>18,916</u>	<u>16,250</u>

4. Interest payable and similar charges

Included in this category are:

Finance charges payable - finance leases and hire purchase contracts

	1997 £	1996 £
	<u>455</u>	<u>305</u>

5. Taxation

Tax on the profit on ordinary activities

Corporation tax at 24.83% (1996 25%)
Deferred tax
Taxation under provided in previous years:
Corporation tax

	1997 £	1996 £
	3,325	(1,085)
	(325)	725
	-	-
	<u>3,140</u>	<u>(360)</u>

6. Dividends

Ordinary - paid

	1997 £	1996 £
	<u>800</u>	<u>-</u>

Patrick Wilkinson (Saddlers) Limited
Notes to the Financial Statements
for the year ended 31st January, 1997

7.	Tangible fixed assets	Total £	Office improvements £	Fixtures and fittings £	Motor vehicles £
	Cost:				
	At 1st February, 1996 and at 31st January, 1997	22,935	800	9,765	12,370
	Depreciation:				
	At 1st February, 1996	9,662	-	8,116	1,546
	Provided during the year	3,454	-	361	3,093
	At 31st January, 1997	13,116	-	8,477	4,639
	Net book value				
	At 31st January, 1997	9,819	800	1,288	7,731
	At 31st January, 1996	13,273	800	1,649	10,824

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

	Motor vehicles	
	31st January, 1997	31st January, 1996
	£	£
Gross amount	12,370	12,370
Depreciation	4,639	1,546
Net book value	7,731	10,824

8.	Investment	1997 £	1996 £
	Addition - other investment	2,000	-

9.	Stocks	1997 £	1996 £
	Finished goods and goods for resale	72,250	52,235

Patrick Wilkinson (Saddlers) Limited
Notes to the Financial Statements
for the year ended 31st January, 1997

	1997 £	1996 £
10. Debtors		
Trade debtors	4,019	3,972
Other debtors	2,403	3,406
	<u>6,422</u>	<u>7,378</u>

	1997 £	1996 £
11. Creditors: amounts falling due within one year		
Trade creditors	35,698	34,406
Taxation and social security costs	4,884	1,557
Other creditors	13,808	8,016
	<u>54,390</u>	<u>43,979</u>

	1997 £	1996 £
12. Finance debt		
Amounts falling due within one year		
Bank overdraft	4,372	3,791
Bank loans	2,500	2,500
Obligations under finance leases and hire purchase contracts	1,626	1,626
	<u>8,498</u>	<u>7,917</u>
Amounts falling due after more than one year		
Bank loans	2,450	5,679
Obligations under finance leases and hire purchase contracts	2,575	4,201
	<u>5,025</u>	<u>9,880</u>
Finance debt falling due after more than one year by due date of payment is:		
One to two years	4,076	4,126
Two to five years	949	5,754
	<u>5,025</u>	<u>9,880</u>

The bank overdraft and loan are secured.

	1997 £	1996 £
13. Deferred taxation		
Deferred taxation provided in the accounts is as follows:		
Accelerated capital allowances	400	725
	<u>400</u>	<u>725</u>

Patrick Wilkinson (Saddlers) Limited
Notes to the Financial Statements
for the year ended 31st January, 1997

	1997 £	1996 £
14. Share capital		
Ordinary shares of £1 each Authorised	<u>1,000</u>	<u>1,000</u>
Issued and fully paid	<u>1,000</u>	<u>1,000</u>

	1997 £	1996 £
15. Reconciliation of movements in shareholders' funds		
Profit for the financial year	9,468	532
Dividends	<u>800</u>	<u>-</u>
	8,668	532
Shareholders' funds at 1st February, 1996	<u>11,487</u>	<u>10,955</u>
Shareholders' funds at 31st January, 1997	<u>20,155</u>	<u>11,487</u>

16. Operating leases

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

	Other £
Within one year	-
In the second to fifth years inclusive	612
Over five years	<u>-</u>
	<u>612</u>

	1997 £	1996 £
17. Capital commitments		
Authorised but not contracted for	<u>-</u>	<u>-</u>
Contracted for but not provided	<u>-</u>	<u>-</u>

Patrick Wilkinson (Saddlers) Limited
Notes to the Financial Statements
for the year ended 31st January, 1997

18. Contingent liabilities

There were no contingent liabilities at 31st January, 1997 or 31st January, 1996.

19. Transactions with directors

Included in other debtors are loans to a director as follows:

Maximum during the year 1997 £	At the end of the year	
	1997 £	1996 £
755	5	629
<u> </u>	<u> </u>	<u> </u>

20. Control relationship

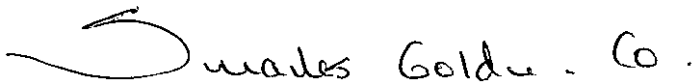
The company was controlled throughout the year by the directors by virtue of their 100% holding of the ordinary shares of the company.

Patrick Wilkinson (Saddlers) Limited

Accountants' report to the directors on the unaudited accounts of Patrick Wilkinson (Saddlers) Limited

As described on the balance sheet you are responsible for the compilation of the accounts for the year ended 31st January, 1997, set out on pages 2 to 10, and you consider that the company is exempt from an audit.

In accordance with your instructions we have compiled the unaudited accounts from the accounting records and from information and explanations supplied to us.



Smailes, Goldie & Co.

Chartered Accountants
Hull, HU1 3XL

28th November 1997