



PRICE BAILEY
Chartered Accountants

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

CONSOLIDATED SHAREHOLDERS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1991

Company Registration No: 148700

Office at:

Headquarters: 100 Brook Street, London, W1A 1AA
Telephone: 01-629 3000

CRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

REPORT OF THE DIRECTORS'

The directors have pleasure in presenting their report, together with the audited consolidated financial statements, for the year ended 31st December 1991.

REVIEW OF THE BUSINESS

The principal activities of the Group are unchanged from last year and are principally the manufacture, wholesaling and retailing of sports equipment. During 1991 the Taylor-Rolph lawn bowls manufacturing unit at Pershore was closed. The division made a loss during the year, including extraordinary costs, of £43,910.

RESULTS AND DIVIDENDS

The results are set out in the consolidated profit and loss account on page 3.

The pre-tax trading profit on ordinary activities for the year amounted to £310,092 (1990: £246,309).

The directors do not recommend the payment of a dividend during the year, nor do they recommend any transfers to reserves other than £1,880 amortisation of revaluation surplus.

FIXED ASSETS

There were no significant changes in fixed assets during the year.

DIRECTORS

The directors of the Company, all of whom held office for the whole of the year, together with their interests in the shares of the Company at 31st December 1991, are as follows:

	Preference Shares of £1 each	Ordinary Shares of £1 each
P. Wildman Esq. (Chairman)	-	-
W. Gray Esq.	2,500	4,364
H. J. Gray Esq.	2,500	11,130
Mrs. V. R. Gravatt	2,500	6,765
R. G. Blake Esq.	-	-

Note: Mrs. J. Gray, wife of W. Gray, holds 4,364 ordinary shares and C. J. Gravatt, husband of Mrs. V. R. Gravatt, holds 6,765 ordinary shares.

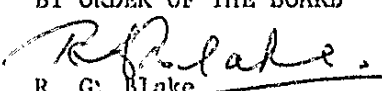
AUDITORS

A resolution proposing the re-appointment of Price Bailey as auditors to the Company will be put to the members at the Annual General Meeting.

REGISTERED OFFICE

Station Road
Robertsbridge
East Sussex
TN32 5DH

BY ORDER OF THE BOARD


R. G. Blake
SECRETARY

Dated: 27th August 1992



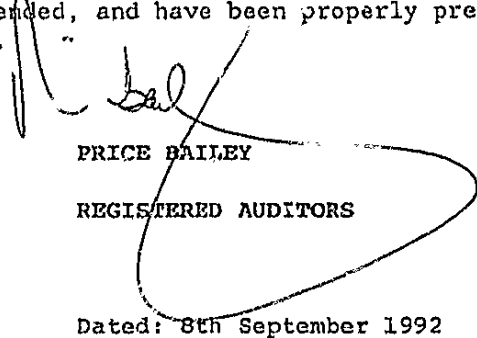
PRICE BAILEY
Chartered Accountants

**REPORT OF THE AUDITORS TO THE MEMBERS OF
GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED**

We have audited the financial statements on pages 3 to 23 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31st December 1991 and of the profit and cash flow of the Group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

AYLMER HOUSE
THE HIGH
HARLOW
ESSEX
CM20 1DH


PRICE BAILEY
REGISTERED AUDITORS

Dated: 8th September 1992

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1991

	Notes		1990
TURNOVER	2	4,212,061	3,938,003
Increase in stocks of finished goods and work in progress		262,099	148,703
Raw materials and consumables		4,474,160 (1,980,784)	4,086,706 (1,835,641)
		2,493,376	2,251,065
Staff costs	3	(1,193,069)	(1,045,288)
Depreciation		(60,622)	(52,235)
Other operating charges		(1,074,223)	(1,028,391)
		(2,327,914)	(2,127,914)
GROUP OPERATING PROFIT	4	165,462	123,151
Management and consultancy charges	1	68,455	81,015
Income from investments	5	204,263	136,257
Interest receivable		559	2,917
Interest payable	6	(128,647)	(97,031)
		144,630	123,158
GROUP PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		310,092	246,309
Tax on profit on ordinary activities	7	(40,289)	(27,853)
GROUP PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		269,803	218,456
Amortisation of revaluation surplus	19	1,880	1,880
Retained profit for the year		271,683	220,336
REVENUE RESERVE brought forward		1,034,573	829,771
REVENUE RESERVE carried forward		£1,306,256	£1,050,107

The notes on pages 9 to 23 form part of these financial statements.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

STATEMENT OF RETAINED RESERVES AT 31ST DECEMBER 1991

		1990
Retained profit for the year	271,683	220,336
Retained profit brought forward as previously stated	1,050,107	329,771
Prior year adjustment (see below)	(15,534)	-
	<u>1,034,573</u>	<u>829,771</u>
	<u>£1,306,256</u>	<u>£1,050,107</u>

The method of valuation of stock was adjusted during the year. For consistency the closing stock in the previous year was adjusted to the same method, resulting in the prior year adjustment above.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 1991

	Notes		1990
FIXED ASSETS			
Tangible assets	10	565,874	620,307
Investments in related undertakings	11	516,155	407,813
		<u>1,082,029</u>	<u>1,028,120</u>
CURRENT ASSETS			
Stocks	12	1,350,965	1,105,507
Debtors	13	515,389	402,239
Cash at bank and in hand		48,595	26,398
		<u>1,914,949</u>	<u>1,534,144</u>
CREDITORS: amounts falling due within one year	14	(1,314,209)	(1,104,000)
NET CURRENT ASSET		<u>600,740</u>	<u>430,144</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,682,769</u>	<u>1,458,264</u>
CREDITORS: amounts falling due after more than one year:			
Bank loan	15	138,411	152,800
Obligations under finance leases and hire purchase contracts	16	5,597	20,972
		<u>(144,008)</u>	<u>(173,772)</u>
		<u>£1,538,761</u>	<u>£1,284,492</u>
CAPITAL AND RESERVES			
Called up share capital	18	48,088	48,038
Revaluation reserve	19	184,417	186,297
Profit and loss account		1,306,256	1,050,107
		<u>£1,538,761</u>	<u>£1,284,492</u>

Approved by the board on

27 June 1992

P. Wildman

W. Gray

) Directors

The notes on pages 9 to 23 form part of these financial statements.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

HOLDING COMPANY BALANCE SHEET AS AT 31ST DECEMBER 1991

	Notes	1990	1991
FIXED ASSETS			
Tangible assets	10	561,695	610,493
Investment in subsidiary	11	125,000	125,000
Investments in related undertakings	11	500,000	500,000
		<hr/>	<hr/>
		1,186,695	1,235,493
CURRENT ASSETS			
Stocks	12	1,197,309	974,035
Debtors	13	522,597	398,431
Cash at bank and in hand		48,511	24,897
		<hr/>	<hr/>
		1,768,517	1,397,413
CREDITORS: amounts falling due within one year	14	(1,288,458)	(1,074,666)
		<hr/>	<hr/>
NET CURRENT ASSETS		480,059	322,747
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,666,754	1,558,240
		<hr/>	<hr/>
CREDITORS: amounts falling due after more than one year:			
Bank loan	15	138,411	152,800
Obligations under finance leases and hire purchase contracts	16	5,597	20,972
		<hr/>	<hr/>
		(144,008)	(173,772)
		<hr/>	<hr/>
		£1,522,746	£1,384,468
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	18	48,088	48,088
Revaluation reserve	19	475,417	477,297
Profit and loss account		999,241	859,083
		<hr/>	<hr/>
		£1,522,746	£1,384,468
		<hr/>	<hr/>

Approved by the board on 27 August 1992

P. Wildman

W. Gray

Directors

The notes on pages 9 to 23 form part of these financial statements.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 1991

	Notes	
Net cash outflow from operating activities	1	(100,068)
Returns on investments and servicing of finance		
Interest received		559
Interest paid		(128,647)
Management and consultancy charges		68,455
Dividends received		38,488
		<hr/>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(21,145)
Taxation		
Corporation tax received		4,078
Investing activities		
Payments to acquire tangible fixed assets		(17,293)
Receipts from sales of tangible fixed assets		11,104
		<hr/>
Net cash outflow from investing activities		(6,189)
		<hr/>
Net cash outflow before financing		(123,324)
Financing		
Repayment of bank loan		(14,389)
Repayment of finance leases and hire purchase contracts		(20,025)
		<hr/>
Net cash outflow from financing		(34,414)
		<hr/>
DECREASE IN CASH AND CASH EQUIVALENTS		£(157,732)

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE CASH FLOW STATEMENT

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Operating profit	165,462
Depreciation charges	60,622
Exchange adjustment on consolidation	12,993
Increase in stocks	(260,992)
Increase in debtors	(113,150)
Increase in creditors	34,997
	<hr/>
Net cash outflow from operating activities	£(100,068)
	<hr/>

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

Balance at 1st January 1991	(291,803)
Net cash outflow	(157,738)
	<hr/>
Balance at 31st December 1991	£(449,541)
	<hr/>

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1991	1990	Change in the year
Cash at bank and in hand	48,595	26,398	22,197
Bank overdrafts	(498,136)	(118,201)	(179,935)
	<hr/>	<hr/>	<hr/>
	£(449,541)	£(291,803)	£(157,738)
	<hr/>	<hr/>	<hr/>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1991

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain freehold land and buildings, in accordance with applicable Statements of Standard Accounting Practice and Financial Reporting Standards.

Turnover

Turnover represents the total receivable (excluding carriage and value added tax) in respect of goods sold and services rendered.

Depreciation and amortisation

Depreciation is provided at rates calculated to reduce the cost or valuation of the assets concerned to estimated residual value over their useful working lives at the following annual rates:

Freehold buildings	- 2% on straight line basis
Freehold land	- Nil
Plant and machinery	- 10%, 15% or 20% on reducing balance basis except for computers, which are being written off over the life of their respective lease purchase contracts, or over three years straight line.
Furniture and fittings	- 7.5%, 10% or 15% on reducing balance basis
Motor vehicles	- 25% on reducing balance basis

The part of the annual depreciation charge of revalued assets which relates to the surplus over cost is transferred from revaluation reserve to profit and loss account.

Research and development

Expenditure on research and development, patents, trade marks, franchises and goodwill is written off as and when incurred.

Dividends

Dividends received and receivable at the balance sheet date are included in the profit and loss account for that year. In addition, credit is taken for any dividends which are declared subsequent to the balance sheet date, but which relate to the year ending on that date.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

1. ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements include the results of the Company and its subsidiaries. The results of subsidiaries acquired during the year are included in the consolidated profit and loss account with that part of the results relating to the period of non-ownership removed as one item after group profit on ordinary activities before tax. The Group's share of the taxation charge is included as part of tax on profit on ordinary activities. Inter group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only.

Associated undertakings

The Group's share of profits less losses of associated undertakings is included in the consolidated profit and loss account, and the Group's share of post acquisition retained profits and reserves is added to the cost of the investments in the consolidated balance sheet. These amounts are taken from the latest audited financial statements of the undertakings concerned, which in all cases are made up to dates not more than three months prior to the end of the financial year of the Group. Since the accounting policies of associated undertakings do not necessarily conform in all respects with those of the Group, adjustments are made on consolidation where the amounts involved are material to the Group.

Goodwill

Goodwill arising on consolidation, being the excess of the purchase price over the value of the net assets of subsidiaries at the date of acquisition, is written off immediately on acquisition against reserves.

Stocks and work in progress

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

Cost is represented by all expenditure incurred in the usual course of business in bringing products to their present location and condition, including related production overheads based on the normal level of activity.

Net realisable value represents the actual or estimated selling price of the items concerned, less trade discounts, all further costs to completion and all costs to be incurred in marketing, selling and distribution, and is calculated after taking account of obsolescence and physical deterioration.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred taxation is calculated using the liability method on timing differences between amounts as computed for taxation purposes and amounts as stated in these financial statements in conjunction with losses carried forward.

Foreign currency conversion

Exchange differences arising from conversion of foreign currencies are dealt with in the profit and loss account as part of the ordinary activities of the business including differences arising on translation of trade investments at the closing rate.

Management and consultancy charges

Management and consultancy charges relate to income receivable for services rendered to John Wisden and Company Limited and Gray Nicolls (Australia) Pty. Limited.

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives, except for those acquired under finance lease contracts, which are depreciated over the life of the contract.

The interest element of rental obligations is charged to the profit and loss account over the period of the hire contract and represents a constant proportion of the balance of capital payments outstanding.

Rentals paid under operating leases are charged to income as incurred.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

2. TURNOVER

The turnover and pre-tax operating profit is attributable to the following activities.

	1990			
	Turnover	Profit	Turnover	Profit
Manufacturing and wholesale	2,969,899	315,570	2,633,447	369,139
Retail shops	1,196,216	32,594	1,274,763	96,622
Commission	45,946	45,946	29,793	29,793
	<hr/>	<hr/>	<hr/>	<hr/>
Gross contribution	4,212,061	394,110	3,938,003	495,554
Unallocated administration costs	-	(228,771)	-	(372,403)
	<hr/>	<hr/>	<hr/>	<hr/>
Group turnover/operating profit	£4,212,061	£165,339	£3,938,003	£123,151
	<hr/>	<hr/>	<hr/>	<hr/>

The turnover, is derived from sales and services provided as follows:

	1990	
United Kingdom	3,557,141	3,562,297
Rest of the world	654,920	375,706
	<hr/>	<hr/>
	£4,212,061	£3,938,003
	<hr/>	<hr/>

3. STAFF COSTS

Wages and salaries:

	1990	
Directors	122,150	113,550
Direct and indirect wages	369,126	239,011
Administration	220,553	304,633
Retail wages and salaries	200,584	182,796
Commissions	136,653	57,054
	<hr/>	<hr/>
	1,049,066	897,044
	<hr/>	<hr/>
Social security costs	77,125	70,643
Pension to former employees	25,142	27,004
Pension scheme costs	41,736	50,597
	<hr/>	<hr/>
	£1,193,069	£1,045,288
	<hr/>	<hr/>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

3. STAFF COSTS (continued)

The average weekly number of employees during the year was:

	No.	1990 No.
Production	29	32
Sales	24	26
Administration	26	22
	<hr/>	<hr/>
	79	80
	<hr/>	<hr/>

4. OPERATING PROFIT

a. This is stated after charging:

	1990
Directors' emoluments (see below)	£170,006
Auditors' remuneration	£18,000
Hire of plant and machinery	£6,070
Exchange gains	£2,761
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b. Directors' remuneration:

	1990
Fees	3,600
Emoluments	125,363
Pension contributions	38,293
Pensions to former directors	2,750
	<hr/>
	£170,006
	<hr/>

The emoluments of the Chairman, excluding pension contributions, were £3,600 (1990: £3,000) and of the highest paid director, excluding pension contributions, £49,178 (1990: £48,287). Directors' emoluments, including the above, but excluding pension contributions, fell within the following ranges:

	No.	1990 No.
£Nil - £5,000	2	2
£20,001 - £25,000	-	1
£30,001 - £35,000	1	-
£45,001 - £50,000	2	2

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

4. OPERATING PROFIT (continued)

c. Directors' interests in contracts

The Company has a contract with a firm in which a director, R. G. Blake Esq. is a partner, for the provision of financial consultancy services under which it paid £7,920 during the year (1990: £6,600).

5. INVESTMENT INCOME

1990

Dividends from associated undertakings:

Listed on Lahore Stock Exchange	38,488	29,159
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Group's share in profits before
 taxation of associated undertakings:

Listed on Lahore Stock Exchange	95,350	97,996
Unlisted (John Wisden and Co. Ltd)	70,425	9,102

£204,263

£106,257

6. INTEREST PAYABLE

1990

On loans repayable within five years:

Bank overdrafts	53,970	23,401
Bank loan (repayable by instalments)	26,111	31,694
Hire purchase contracts and finance leases	3,343	6,518
Other loans	45,223	35,418

£128,647

£97,031

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

		1990
Guernsey income tax based on subsidiaries profit for the year	2,646	2,931
Underprovision of corporation tax in previous years at 25%	1,208	863
Share of associated undertakings tax charge	44,440	24,059
Payment for group loss relief	(8,005)	-
	<u>£40,289</u>	<u>£27,853</u>

The company has in excess of £1.5m tax losses brought forward from previous years. Therefore, no corporation tax is payable on the results of the company for the year and no provision for deferred taxation is required (see note 17.)

8. HOLDING COMPANY'S PROFIT

The Company has taken advantage of Section 230 of the Companies Act 1985 allowing it not to publish a separate profit and loss account. The profit after taxation attributable to the Company in the Consolidated Profit and Loss account amounts to £155,692 (1990: £135,820).

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

10. TANGIBLE FIXED ASSETS

a. The Group

	Freehold Land and Buildings	Plant and Machinery	Furniture and Fittings	Motor Vehicles	Total
Cost or valuation:					
At 1st January 1991	495,470	442,239	264,280	75,335	1,277,324
Additions	-	130	13,543	3,620	17,293
Disposals	-	(17,706)	(12,929)	(5,940)	(36,575)
At 31st December 1991	<u>£495,470</u>	<u>£424,663</u>	<u>£264,894</u>	<u>£73,015</u>	<u>£1,258,042</u>
Depreciation:					
At 1st January 1991	24,496	390,458	208,121	33,942	657,017
Charge for the year	5,605	13,209	19,276	10,719	48,809
Eliminated on disposals	-	(6,261)	(3,597)	(3,800)	(13,658)
At 31st December 1991	<u>£30,101</u>	<u>£397,406</u>	<u>£223,800</u>	<u>£40,861</u>	<u>£692,168</u>
Net book value:					
At 1st January 1991	<u>£470,974</u>	<u>£51,781</u>	<u>£56,159</u>	<u>£41,393</u>	<u>£620,307</u>
At 31st December 1991	<u>£465,369</u>	<u>£27,257</u>	<u>£41,094</u>	<u>£32,154</u>	<u>£565,874</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

10. TANGIBLE FIXED ASSETS (continued)

b. The company

	Freehold Land and Buildings	Plant and Machinery	Furniture and Fittings	Motor Vehicles	Total
Cost or valuation:					
At 1st January 1991	495,470	431,094	246,400	75,335	1,248,299
Additions	-	-	13,450	3,620	17,070
Disposals	-	(15,379)	(7,077)	(5,940)	(28,396)
At 31st December 1991	<u>£495,470</u>	<u>£415,715</u>	<u>£252,773</u>	<u>£73,015</u>	<u>£1,236,973</u>
Depreciation:					
At 1st January 1991	24,496	381,211	198,157	33,942	637,806
Charge for the year	5,605	10,392	16,235	10,719	42,951
Eliminated on disposals	-	(1,679)	-	(3,800)	(5,479)
At 31st December 1991	<u>£30,101</u>	<u>£389,924</u>	<u>£214,392</u>	<u>£40,861</u>	<u>£675,278</u>
Net book value					
At 1st January 1991	<u>£470,974</u>	<u>£49,883</u>	<u>£48,243</u>	<u>£41,393</u>	<u>£610,493</u>
At 31st December 1991	<u>£465,369</u>	<u>£25,791</u>	<u>£38,381</u>	<u>£32,154</u>	<u>£561,695</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

10. TANGIBLE FIXED ASSETS (continued)

c. Included in the above figures are the following amounts relating to assets acquired under finance leases and hire purchase agreements:

Finance leases	Furniture and Fittings
Cost:	
At 1st January 1991	£60,219
At 31st December 1991	£60,219
Depreciation:	
At 1st January 1991	£39,850
At 31st December 1991	£51,774
Depreciation provided in year	£11,924
Hire purchase agreements	Motor Vehicles
Cost:	
At 1st January 1991	£60,687
At 31st December 1991	£54,747
Depreciation:	
At 1st January 1991	£25,626
At 31st December 1991	£30,057
Depreciation provided in year	£8,231

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

10. TANGIBLE FIXED ASSETS (continued)

d. For the freehold premises included at valuation:

Historical cost:

At 1st January 1991 and 31st December 1991	£296,825
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Depreciation based on cost:

At 1st January 1991	20,800
Charge for the year	3,722

At 31st December 1991	£24,522
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Net historical cost value:

At 1st January 1991	£276,025
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At 31st December 1991	£272,303
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Certain of the freehold land and buildings were professionally valued in 1986 or earlier years and their present values are not considered to be significantly different from their book values.

If the land and buildings were sold at their valuation it is considered that no tax liability would arise.

The remaining fixed assets of the Company have not been revalued, but the directors have considered their value and are satisfied that their aggregate value at 31st December 1991 was not less than their net book value shown in the financial statements.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

11. FIXED ASSET INVESTMENTS

Subsidiary undertakings

Investment at cost in Sarnian Sports Limited:

As at 1st January 1991 and 31st December 1991 £125,000

Grays of Cambridge (International) Limited owns 100% of the £1 ordinary shares of Sarnian Sports Limited, a company which was incorporated in Guernsey and whose principal activity is the retailing of sports equipment.

Associated undertakings

	1990			
	Group	Company	Group	Company
John Wisden and Company Limited				
Unlisted shares at cost	200,000	200,000	200,000	200,000
Group's share of post acquisition retained profits and reserves	108,336	-	59,095	-
	<u>£308,336</u>	<u>£200,000</u>	<u>£259,095</u>	<u>£200,000</u>

Grays of Cambridge (International) Limited owns 50% of the ordinary share capital of John Wisden and Company Limited, a company which is registered in England and Wales and whose principal activity is the publishing of Wisden Cricketers' Almanack and other specialised cricket books.

	1990			
	Group	Company	Group	Company
Grays of Cambridge (Pakistan) Limited				
Shares listed on the Lahore Stock Exchange at cost/valuation	9,000	300,000	9,000	300,000
Group's share of post acquisition retained profits and reserves	198,819	-	139,718	-
	<u>£207,819</u>	<u>£300,000</u>	<u>£148,718</u>	<u>£300,000</u>
As at 31st December 1991	<u>£516,155</u>	<u>£500,000</u>	<u>£407,813</u>	<u>£500,000</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

11. FIXED ASSET INVESTMENTS (continued)

Grays of Cambridge (Pakistan) Limited was incorporated in Pakistan and its shares have been quoted on the Lahore Stock Exchange since January 1987. As at 31st December 1991 the Company's holding was 40% of the ordinary share capital and the shares were quoted at 149 Rupees each. At this price, the Company's investment would be worth approximately £970,000. If the shares were sold at this valuation a tax liability of approximately £220,000 would arise.

The investment was revalued during 1988 by the directors to take account of its true market value at that date of £300,000 which is the amount included in the company's balance sheet.

The principal activity of Grays of Cambridge (Pakistan) Limited is the manufacture and export of quality sports goods.

Grays of Cambridge (International) Limited also owns the entire share capital of the following non-trading companies, whose names are used for trading within the Group:

Name of Subsidiary	Country of Incorporation
Gray Nicolls Limited	England
Grays Sports Limited	England
P. H. Gray (Rugby) Limited	England
Grays of Cambridge Limited	England
Sams Atlas Limited	England
The Taylor-Rolph Company Limited	England
H. J. Gray and Sons Limited	England

12. STOCKS

1990

	Group	Company	Group	Company
Raw materials	216,589	216,589	225,646	225,646
Work in progress	98,832	98,832	61,601	61,601
Finished stock of own manufacture	266,088	266,088	156,573	156,573
Finished stock bought in	322,495	322,495	248,142	248,142
Retail stock	421,748	268,192	395,372	263,900
Consumable stores	25,213	25,213	18,173	18,173
	<u>£1,350,965</u>	<u>£1,197,409</u>	<u>£1,105,507</u>	<u>£974,035</u>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

13. DEBTORS

	1990			
	Group	Company	Group	Company
Trade debtors	233,253	231,206	224,774	221,922
Other debtors	10,360	20,360	13,022	13,022
Prepayments and accrued income	232,894	232,149	128,343	127,437
Dividend from related company	38,882	38,882	36,100	36,100
	<u>£515,389</u>	<u>£522,597</u>	<u>£402,239</u>	<u>£398,481</u>

14. CREDITORS: amounts falling due within one year

	1990			
	Group	Company	Group	Company
Bank loan - current instalments	39,095	39,095	39,095	39,095
Bank overdraft (see below)	498,136	498,136	318,201	318,201
Trade creditors	185,536	169,091	189,211	169,656
Invoice discounting				
current account	29,682	29,682	16,050	16,050
Current corporation tax	6,650	2,071	6,723	863
Other taxes and social security costs	38,074	38,074	39,510	39,510
Accruals	148,257	137,074	100,577	90,894
Other creditors	263,404	263,404	373,539	373,539
Amounts due to group undertakings	-	6,456	-	-
Amounts due to associated undertakings	90,000	90,000	1,069	6,833
Obligations under finance leases and hire purchase contracts (note 16)	15,375	15,375	20,025	20,025
	<u>£1,314,209</u>	<u>£1,288,458</u>	<u>£1,104,000</u>	<u>£1,074,666</u>

The bank overdraft and loan (see note 15) are secured by a legal charge over the Company's freehold land and buildings and by a debenture on the assets of the Company, excluding trade debtors.

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

15. BANK LOAN

	1990			
	Group	Company	Group	Company
Repayable between 2 and 5 years	£138,411	£138,411	£152,800	£152,800

The bank loan was taken out to finance the purchase of freehold property and is repayable by monthly instalments of £3,258 (including interest).

16. CREDITORS: amounts falling due after more than one year

Obligations under finance leases and hire purchase contracts

	Total	Finance Leases	Hire Purchase
1991			
Year ending 31st December 1992	17,499	8,210	9,289
Thereafter	5,960	-	5,960
	23,459	8,210	15,249
<u>Less:</u> Finance charges allocated to future periods	2,487	367	2,120
	£20,972	£7,843	£13,129
Shown as: current obligations (note 14)	15,375	7,843	7,532
non-current obligations	5,597	-	5,597
As at 31st December 1991	£20,972	£7,843	£13,129

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

16. CREDITORS: amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts

	Total	Finance Leases	Hire Purchase
1990			
Year ending 31st December 1991	25,494	13,542	11,952
Thereafter	23,460	8,210	15,250
	<hr/>	<hr/>	<hr/>
	48,954	21,752	27,202
<u>Less: Finance charges allocated to future periods</u>	7,957	2,495	5,462
	<hr/>	<hr/>	<hr/>
	£40,997	£19,257	£21,740
	<hr/>	<hr/>	<hr/>
Shown as: current obligations (note 14)	20,025	11,415	8,610
non-current obligations	20,972	7,842	13,130
	<hr/>	<hr/>	<hr/>
As at 31st December 1990	£40,997	£19,257	£21,740
	<hr/>	<hr/>	<hr/>

17. DEFERRED TAXATION

Deferred taxation is not provided in the financial statements as the position is covered by trading losses, as follows:

	1990
Capital allowances in advance of depreciation	18,659
	44,039
<u>Less: Taxation losses available for relief</u>	(18,659)
	<hr/>
	£Nil
	<hr/>
	£Nil
	<hr/>

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

18. SHARE CAPITAL

1990

Authorised

7,500 6% cumulative preference
shares of £1 each

7,500

7,500

42,500 ordinary shares of £1 each

42,500

42,500

£50,000

£50,000

Issued and fully paid

7,500 6% cumulative preference
shares of £1 each

7,500

7,500

40,588 ordinary shares of £1 each

40,588

40,588

£48,088

£48,088

19. REVALUATION RESERVE

1990

Group

Company

Group

Company

Balance at 1st January 1991

186,297

477,297

188,177

479,177

Amortisation of revaluation
surplus

(1,880)

(1,880)

(1,880)

(1,880)

Balance at 31st December 1991

£184,417

£475,417

£186,297

£477,297

20. CAPITAL COMMITMENTS

1990

Contracted but not provided
for in the accounts

£Nil

£16,000

Authorised but not contracted

£Nil

£Nil

GRAYS OF CAMBRIDGE (INTERNATIONAL) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (CONTINUED)

21. PREFERENCE DIVIDEND

No dividend has been paid in respect of the years 1981 to 1990 inclusive, and none is proposed for 1991. The cumulative arrears, calculated in accordance with Section 255 ICAT 1988 being approximately 75/100 of the gross rate of 6%, now amount to £3,714.

22. PENSIONS

(a) Defined contribution scheme

The company operates a defined contribution scheme in respect of the directors. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £40,377 (1990 £38,293).

(b) Defined benefit scheme

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit method, with a 15 year control period and exits from the scheme are assumed to be replaced by new entrants. The most recent valuation was at 1st July 1991.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 9% per annum, that salary increases would average 7.5% per annum and that present and future pensions would not be increased in payment.

The pension charge for the period was £13,647 (1990 £15,400). This included a reduction of £2,730 (1990 £2,200) in respect of the amortisation of experience surpluses that are being recognised over 11 years, the average remaining service lives of employees.

The most recent actuarial valuation showed that the premium value of the scheme's assets was £248,000 and that the actuarial value of those assets represented 113% of the benefits that had accrued to the members, after allowing for expected future increases in earnings. The contributions of the company and employees will remain at 8.7% and 3.0% of earnings respectively.

(c) Former employees

Pensions are paid on a voluntary basis to former employees for whom adequate provision had not been made prior to retirement.