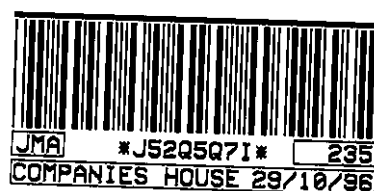


**BEACONSFIELD FOOTWEAR LIMITED**

*signed  
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**DIRECTORS' REPORT AND ACCOUNTS FOR  
THE YEAR ENDED 31 DECEMBER 1995**

**REGISTERED NUMBER : 641365**



## **BEACONSFIELD FOOTWEAR LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995**

The directors present their report for the year ended 31 December 1995, together with the audited accounts.

#### **REVIEW OF BUSINESS**

The company's principal activity during the year continued to be the manufacture of footwear and its satisfactory state of affairs is set out in the financial statements.

#### **FUTURE DEVELOPMENTS**

The directors will continue to develop the company's main activity.

#### **RESULTS AND DIVIDEND**

The results for the year are shown in the attached profit and loss account. The directors do not propose the payment of a dividend.

#### **FIXED ASSETS**

Changes in fixed assets during the year are set out in note 6 to the accounts.

#### **DIRECTORS AND DIRECTORS' INTERESTS**

The directors in the year and their interests in the ordinary shares of the company were as follows:

	<u>31 December 1995</u>	<u>31 December 1994</u>
Thomas Leonard Houlgrave (deceased 11 March 1996)	1,500	1,500
Paul Houlgrave	-	-
Stewart Houlgrave	-	-
Andrew Chanter	-	-
Stewart Andrew	-	-

P Houlgrave and S Houlgrave are beneficiaries of trusts which each own 20,250 £1 ordinary shares in the company.

In accordance with the Articles of Association, A Chanter retires by rotation and, being eligible, offers himself for re-election.

## **BEACONSFIELD FOOTWEAR LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare the 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 period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- 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 proper 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

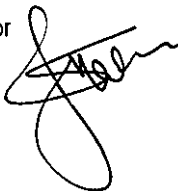
#### **AUDITORS**

Price Waterhouse, being eligible, have indicated their willingness to be reappointed as auditors.

By Order of the Board

S HOULGRAVE

Director



24 October 1996

*Price Waterhouse*



## AUDITORS' REPORT TO THE MEMBERS OF BEACONSFIELD FOOTWEAR 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 8.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of 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 accounts give a true and fair view of the state of the company's affairs at 31 December 1995 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors

24 October 1996

**BEACONSFIELD FOOTWEAR LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995**

	<u>1995</u>	<u>1994</u>
<b>TURNOVER</b> (Note 1 (b))	3,155,884	2,166,149
Cost of sales	<u>(2,293,827)</u>	<u>(1,605,264)</u>
<b>GROSS PROFIT</b>	862,057	560,885
Distribution costs	(90,634)	(59,836)
Administrative expenses	<u>(747,917)</u>	<u>(593,057)</u>
<b>OPERATING PROFIT/(LOSS) BEFORE INTEREST AND TAXATION</b>	23,506	(92,008)
Interest payable (Note 2)	<u>(41,775)</u>	<u>(27,478)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 2)	(18,269)	(119,486)
Taxation credit (Note 4)	<u>8,000</u>	<u>8,377</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	(10,269)	(111,109)
<b>BALANCE BROUGHT FORWARD</b>	<u>515,614</u>	<u>626,723</u>
<b>BALANCE CARRIED FORWARD</b>	<u>£505,345</u>	<u>£515,614</u>

Notes

(a) The turnover and loss on ordinary activities all derive from continuing activities that are unchanged from the previous year.

(b) All recognised gains and losses are dealt with in the profit and loss account.

**BEACONSFIELD FOOTWEAR LIMITED****BALANCE SHEET AS AT 31 DECEMBER 1995**

	<u>1995</u>	<u>1994</u>
<b>TANGIBLE FIXED ASSETS</b> (Note 6)	474,218	498,289
<b>CURRENT ASSETS</b>		
Stocks (Note 7)	369,591	387,902
Debtors (Note 8)	800,310	393,775
Cash at bank and in hand	<u>807</u>	<u>401</u>
	1,170,708	782,078
<b>CREDITORS</b> (amounts falling due within one year) (Note 9)	<u>1,061,075</u>	<u>658,711</u>
<b>NET CURRENT ASSETS</b>	<u>109,633</u>	<u>123,367</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>£583,851</u>	<u>£621,656</u>
<b>CREDITORS</b> (amounts falling due after one year) (Note 10)	6,506	26,042
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		
Deferred taxation (Note 5)	30,000	38,000
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 11)	42,000	42,000
Profit and loss account	<u>505,345</u>	<u>515,614</u>
Shareholders' funds (Note 15)	<u>547,345</u>	<u>557,614</u>
	<u>£583,851</u>	<u>£621,656</u>
APPROVED BY THE DIRECTORS ON 24 OCTOBER 1996		

P Houlgrave

S Houlgrave  
DIRECTORS

# BEACONSFIELD FOOTWEAR LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>1995</u>	<u>1994</u>
<b>NET CASH OUTFLOW FROM</b>		
<b>OPERATING ACTIVITIES</b> (Note A)	(19,563)	(92,764)
<b>RETURNS ON INVESTMENTS AND SERVICING</b>		
<b>OF FINANCE</b>		
Interest element on hire purchase		
rental payments	(2,992)	(2,517)
Interest paid	<u>(38,783)</u>	<u>(24,961)</u>
<b>Net outflow from returns on</b>		
<b>investments and servicing of finance</b>	<u>(41,775)</u>	<u>(27,478)</u>
	(61,338)	(120,242)
<b>TAXATION</b>		
Corporation tax received/(paid)	33,781	(1,990)
<b>INVESTING ACTIVITIES</b>		
Proceeds on sale of fixed assets	27,700	16,842
Purchase of fixed assets	<u>(110,707)</u>	<u>(90,587)</u>
<b>Net outflow from investing activities</b>	<u>(83,007)</u>	<u>(73,745)</u>
<b>NET CASH OUTFLOW BEFORE</b>		
<b>FINANCING</b>	(110,564)	(195,977)
<b>FINANCING</b>		
Capital element of hire purchase		
rental payments	(1,060)	(25,263)
New loan	<u>30,000</u>	<u>75,000</u>
<b>Net inflow from financing</b>	<u>28,940</u>	<u>49,737</u>
<b>DECREASE IN CASH AND</b>		
<b>CASH EQUIVALENTS</b> (Notes B and C)	<u>£(81,624)</u>	<u>£(146,240)</u>

# BEACONSFIELD FOOTWEAR LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

	<u>1995</u>	<u>1994</u>
<b>NOTE A</b>		
<b>Reconciliation of operating profit/(loss) to net cash outflow from operating activities</b>		
Operating profit/(loss)	23,506	(92,008)
Profit on sale of fixed assets	(4,108)	(13,336)
Depreciation charges	111,186	102,460
(Increase)/decrease in stocks	18,311	(53,202)
Increase in debtors	(440,316)	(173,839)
Increase in creditors	<u>271,858</u>	<u>137,161</u>
Net cash outflow from operating activities	<u>£(19,563)</u>	<u>£(92,764)</u>

## **NOTE B**

### **Analysis of changes in cash and cash equivalents during the year**

Balance at 1 January 1995	(258,481)	(112,241)
Net cash outflow	<u>(81,624)</u>	<u>(146,240)</u>
Balance at 31 December 1995	<u>£(340,105)</u>	<u>£(258,481)</u>

## **NOTE C**

### **Analysis of the balances of cash and cash equivalents as shown in the balance sheet**

	<u>1995</u>	<u>1994</u>	Change in year
Cash at bank and in hand	807	401	406
Bank overdraft	<u>(340,912)</u>	<u>(258,882)</u>	<u>(82,030)</u>
	<u>£(340,105)</u>	<u>£(258,481)</u>	<u>£(81,624)</u>



# **BEACONSFIELD FOOTWEAR LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995**

### **1 ACCOUNTING POLICIES**

The significant accounting policies adopted by the company are set out below:

#### **(a) Accounting convention**

The accounts are prepared under the historical cost convention and comply with applicable accounting standards.

#### **(b) Turnover**

Turnover, which arises wholly from the company's principal activity, represents the value of goods sold to customers excluding value added tax. The company had no exports during the year.

#### **(c) Stocks**

Stocks are valued at the lower of cost and net realisable value. In the case of work in progress and finished goods, cost includes an appropriate portion of direct production overheads.

#### **(d) Depreciation**

Freehold land is not depreciated. Freehold buildings and other fixed assets are written off on a straight line basis at rates estimated to write off their cost over their useful lives. The rates used are:

Freehold	- 2%
Plant and machinery, fixtures and fittings	- 10% to 33 $\frac{1}{3}$ %
Moulds	- 20% to 33 $\frac{1}{3}$ %
Motor vehicles	- 25%

#### **(e) Deferred taxation**

Provision is made under the liability method for taxation deferred because of timing differences between profits computed for taxation purposes and profits stated in the accounts except to the extent that such taxation is not expected to be payable in the foreseeable future. Timing differences are due primarily to the excess of tax allowances on fixed assets over the corresponding depreciation charged in the accounts.

#### **(f) Pension commitments**

The company operates a self administered Pension Plan for the benefit of the directors. The plans are administered by external trustees and are independent of the company's finances. The company's contributions are charged in the profit and loss account in the year in which they are made.

**BEACONSFIELD FOOTWEAR LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)****2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

This is stated after charging/(crediting):	<u>1995</u>	<u>1994</u>
	£	£
Staff costs:		
Wages and salaries	643,767	498,820
Social security costs	50,892	41,367
Pension costs	9,960	6,974
Depreciation	111,186	102,460
Profit on sale of fixed assets	(4,108)	(11,060)
Auditors' remuneration - audit services	3,500	3,300
- other services	4,000	4,350
Interest payable on bank and other borrowings repayable within five years	41,775	27,478
Directors' emoluments	143,719	124,231

The average number of employees during the year was 73 (1994 - 58).

**3 DIRECTORS' EMOLUMENTS**

The emoluments of the directors, excluding pension contributions, were as follows:

	<u>1995</u>	<u>1994</u>
	£	£
Chairman	-	-
Highest paid director	53,867	49,988

Number of directors whose remuneration was within the ranges:

£0 to £5,000	2	2
£30,001 to £35,000	-	2
£35,001 to £40,000	1	-
£40,001 to £45,000	1	-
£45,001 to £50,000	-	1
£50,001 to £55,000	1	-

**4 TAXATION**

	<u>1995</u>	<u>1994</u>
Corporation tax credit on loss for the year at 25%	-	7,844
Adjustment re prior year	-	(1,467)
Release of deferred taxation (Note 5)	<u>8,000</u>	<u>2,000</u>
	£8,000	£8,377

Losses of approximately £90,000 are carried forward at 31 December 1995 (1994 £75,000) and are available for relief against future profits of the company.

# BEACONSFIELD FOOTWEAR LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

5 DEFERRED TAXATION	1995	1994
At 1 January 1995	38,000	38,000
Release in year	<u>(8,000)</u>	<u>-</u>
At 31 December 1995	<u>£30,000</u>	<u>£38,000</u>
Made up as follows:		
Accelerated capital allowances	52,500	56,750
Trading losses	<u>(22,500)</u>	<u>(18,750)</u>
	<u>£30,000</u>	<u>£38,000</u>
The potential liability on all timing differences	<u>£30,000</u>	<u>£38,000</u>

## 6 TANGIBLE FIXED ASSETS

Cost	Land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
At 1 January 1995	141,713	947,967	161,892	64,825	1,316,397
Additions	-	77,718	1,980	31,009	110,707
Disposals	<u>-</u>	<u>(36,181)</u>	<u>-</u>	<u>(21,125)</u>	<u>(57,306)</u>
At 31 December 1995	<u>141,713</u>	<u>989,504</u>	<u>163,872</u>	<u>74,709</u>	<u>1,369,798</u>
<u>Depreciation</u>					
At 1 January 1995	46,086	625,985	106,388	39,649	818,108
Provisions for year	2,656	84,431	13,014	11,085	111,186
Disposals	-	(25,472)	-	(8,242)	(33,714)
Reclassification	<u>-</u>	<u>648</u>	<u>(648)</u>	<u>-</u>	<u>-</u>
At 31 December 1995	<u>48,742</u>	<u>685,592</u>	<u>118,754</u>	<u>42,492</u>	<u>895,580</u>
<u>Net book amount</u>					
31 December 1995	<u>£92,971</u>	<u>£303,912</u>	<u>£45,118</u>	<u>£32,217</u>	<u>£474,218</u>
31 December 1994	<u>£95,627</u>	<u>£321,982</u>	<u>£55,504</u>	<u>£25,176</u>	<u>£498,289</u>

**BEACONSFIELD FOOTWEAR LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

<b>7</b>	<b>STOCKS</b>	<u>1995</u>	<u>1994</u>
	Raw materials and miscellaneous stocks	192,975	134,621
	Work in progress	41,139	27,694
	Finished goods	<u>135,477</u>	<u>225,587</u>
		£369,591	£387,902
		<u>          </u>	<u>          </u>
<b>8</b>	<b>DEBTORS</b>	<u>1995</u>	<u>1994</u>
	Trade debtors	752,699	276,386
	Stewart Paul Limited	28,643	57,596
	Prepayments and accrued income	5,484	16,358
	Corporation tax recoverable	7,844	41,625
	Other debtors	5,640	766
	Director's loan account	<u>-</u>	<u>1,044</u>
		£800,310	£393,775
		<u>          </u>	<u>          </u>
<b>9</b>	<b>CREDITORS (amounts falling due within one year)</b>	<u>1995</u>	<u>1994</u>
	Bank overdraft (Note 13)	340,912	258,882
	Trade creditors	261,934	169,677
	Taxation and social security	207,417	74,307
	Accruals and deferred income	120,862	74,002
	Hire purchase	24,950	21,474
	Directors' loan accounts	-	369
	Bank loan (Note 10)	<u>105,000</u>	<u>60,000</u>
		£1,061,075	£658,711
		<u>          </u>	<u>          </u>
<b>10</b>	<b>CREDITORS (amounts falling due after more than one year)</b>	<u>1995</u>	<u>1994</u>
	Bank loan	-	15,000
	Hire purchase	<u>6,506</u>	<u>11,042</u>
		£6,506	£26,042
		<u>          </u>	<u>          </u>

The bank loan is repayable at £5,000 each month.

## BEACONSFIELD FOOTWEAR LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

#### 11 SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
Ordinary shares of £1 each		
Authorised	£50,000	£50,000
	<u>          </u>	<u>          </u>
Allotted and fully paid	£42,000	£42,000
	<u>          </u>	<u>          </u>

#### 12 CAPITAL COMMITMENTS

	<u>1995</u>	<u>1994</u>
Capital expenditure committed but not provided for in the accounts	£-	£-
Capital expenditure authorised but not committed	£-	£-
	<u>          </u>	<u>          </u>

#### 13 CONTINGENT LIABILITY

The Midland Bank plc has a charge over the deeds and documents relating to land and property situated at Liverpool Road, Skelmersdale. There is also a fixed charge over book debts and a floating charge over all other assets.

#### 14 STEWART PAUL LIMITED

Mr P Houlgrave and Mr S Houlgrave are directors and controlling shareholders in Stewart Paul Limited.

#### 15 MOVEMENTS IN SHAREHOLDERS' FUNDS

The movement in shareholders' funds consists solely of the loss for the year.