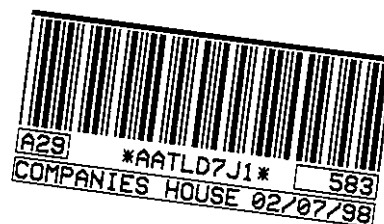


PRITCHARD AND SONS LIMITED

FINANCIAL STATEMENTS

**31 JANUARY 1998
(UNAUDITED)**

Registered number: 789680



KIDSONS IMPEY

CHARTERED ACCOUNTANTS

Hereford

PRITCHARD AND SONS LIMITED

FINANCIAL STATEMENTS

for the year ended 31 January 1998

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
Schedule to the detailed trading and profit and loss account	Appendix 2

PRITCHARD AND SONS LIMITED**COMPANY INFORMATION****31 January 1998**

NUMBER	789680
DIRECTOR	E J Pritchard
REGISTERED OFFICE	9 King Street Hereford HR4 9BU
ACCOUNTANTS	Kidsons Impey Chartered Accountants Elgar House Holmer Road Hereford HR4 9SF

PRITCHARD AND SONS LIMITED

DIRECTOR'S REPORT

31 January 1998

The director presents his report and the financial statements for the year ended 31 January 1998.

Principal activity

The principal activity of the company is the retailing of menswear.

Business review

The company's balance sheet as detailed on page 5 shows a satisfactory position, shareholders' funds amounting to £78,973.

Results and dividends

The results for the year are shown in the profit and loss account on page 4. The director does not propose payment of an ordinary dividend.

Director

The director of the company during the year and his interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 January 1998 Ordinary shares	1 February 1997 Ordinary shares
E J Pritchard	2,950	2,950

9 King Street
Hereford
HR4 9BU

On behalf of the board

Ian Gardner X
I Gardner X
Secretary

PRITCHARD AND SONS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 January 1998

	Note	1998 £	1997 £
Turnover	2	297,307	284,926
Cost of sales		(147,946)	(154,728)
Gross profit		<u>149,361</u>	<u>130,198</u>
Net operating expenses			
Distribution costs		(8,381)	(7,165)
Administrative expenses		(137,895)	(120,355)
Operating profit	3	<u>3,085</u>	<u>2,678</u>
Interest payable	5	(1,782)	(1,946)
Profit on ordinary activities before taxation		<u>1,303</u>	<u>732</u>
Taxation	6	(1,096)	(576)
Profit on ordinary activities after taxation		<u>207</u>	<u>156</u>
retained for the year	15	<u><u>207</u></u>	<u><u>156</u></u>

Movements in reserves are shown in note 15.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1998 or 1997 other than the profit for the year.

PRITCHARD AND SONS LIMITED

BALANCE SHEET

at 31 January 1998

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	7	13,700	18,107
Current assets			
Stocks	8	92,879	83,734
Debtors	9	22,164	22,664
Cash at bank and in hand		59	7,842
		<u>115,102</u>	<u>114,240</u>
Creditors: amounts falling due within one year	10	(49,221)	(53,229)
Net current assets		<u>65,881</u>	<u>61,011</u>
Total assets less current liabilities		<u>79,581</u>	<u>79,118</u>
Provision for liabilities and charges	11	(608)	(480)
		<u>78,973</u>	<u>78,638</u>
Capital and reserves			
Called up share capital	14	5,850	5,850
Profit and loss account	15	73,123	72,788
Total shareholders' funds entirely attributable to equity shareholders	13	<u>78,973</u>	<u>78,638</u>

continued

PRITCHARD AND SONS LIMITED**BALANCE SHEET**

(continued)

at 31 January 1998

The director considers that for the year ended 31 January 1998 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements 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 the Act relating to financial statements, so far as applicable to the company.

The financial statements on pages 4 to 11 were approved by the director
on


E J Pritchard
Director

PRITCHARD AND SONS LIMITED**NOTES ON FINANCIAL STATEMENTS****31 January 1998****1 Accounting policies****Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Property improvements	10 years
Motor vehicles	5 years
Fixtures and fittings	10 years

Leases and hire purchase contracts

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

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

PRITCHARD AND SONS LIMITED

NOTES ON FINANCIAL STATEMENTS

31 January 1998

3 Operating profit

	1998 £	1997 £
Operating profit is stated after charging		
Staff costs (note 4)	79,918	70,137
Operating leases		
Hire of plant and machinery	1,030	-
Rent	21,711	18,070
	<hr/>	<hr/>
Depreciation of tangible fixed assets (note 7)		
Owned assets	5,183	5,382
	<hr/>	<hr/>

4 Directors and employees

	1998 £	1997 £
Staff costs including director's emoluments		
Wages and salaries	69,691	62,969
Social security costs	2,666	2,106
Pension costs	7,561	5,062
	<hr/>	<hr/>
	79,918	70,137
	<hr/>	<hr/>
Average monthly number employed including executive directors:	Number	Number
Sales and distribution	6	6
	<hr/>	<hr/>
Director	£	£
Emoluments	31,116	23,370
Company contributions to money purchase pension schemes	6,400	4,900
	<hr/>	<hr/>
	37,516	28,270
	<hr/>	<hr/>

Pension costs

Defined contribution scheme

The company operates a defined contribution scheme. 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 £7,561 (1997 £5,062).

5 Interest payable

	1998 £	1997 £
Bank interest	1,608	2,201
Hire purchase interest	174	(255)
	<hr/>	<hr/>
	1,782	1,946
	<hr/>	<hr/>

PRITCHARD AND SONS LIMITED

NOTES ON FINANCIAL STATEMENTS

31 January 1998

6 Taxation

	1998 £	1997 £
Corporation tax on profit on ordinary activities at 21% (1997 24%)	968	576
Deferred taxation	128	-
	<u>1,096</u>	<u>576</u>

7 Tangible fixed assets

Cost	Motor Vehicles £	Fixtures and Fittings £	Assets under Construction £	Total £
1 February 1997	7,358	30,928	21,962	60,248
Additions	-	776	-	776
31 January 1998	<u>7,358</u>	<u>31,704</u>	<u>21,962</u>	<u>61,024</u>
Depreciation				
1 February 1997	4,416	24,726	13,000	42,142
Charge for year	1,472	1,940	1,771	5,183
31 January 1998	<u>5,888</u>	<u>26,666</u>	<u>14,771</u>	<u>47,325</u>
Net book amount				
31 January 1998	<u>1,470</u>	<u>5,039</u>	<u>7,191</u>	<u>13,700</u>
1 February 1997	<u>2,942</u>	<u>6,203</u>	<u>8,962</u>	<u>18,107</u>

8 Stocks

	1998 £	1997 £
Goods for resale	92,879	83,734
	<u>92,879</u>	<u>83,734</u>

PRITCHARD AND SONS LIMITED
NOTES ON FINANCIAL STATEMENTS

31 January 1998

9 Debtors

	1998	1997
	£	£
Amounts falling due within one year		
Trade debtors	9,002	3,249
Other debtors	3,006	9,225
Prepayments and accrued income	5,045	5,079
	<u>17,053</u>	<u>17,553</u>
Amounts falling due after more than one year		
Other debtors	5,111	5,111
	<u>22,164</u>	<u>22,664</u>

10 Creditors: amounts falling due within one year

	1998	1997
	£	£
Bank overdrafts	8,853	-
Trade creditors	8,460	17,042
Corporation tax	968	904
Other taxation and social security	27,574	30,444
Accruals and deferred income	3,366	2,816
Obligations under finance leases and hire purchase contracts	-	2,023
	<u>49,221</u>	<u>53,229</u>

11 Provision for liabilities and charges

	1997	Profit and	Other	1998
	£	loss account	movements	£
		£	£	
Deferred taxation (notes 6 and 12)	(480)	(128)	-	(608)

PRITCHARD AND SONS LIMITED

NOTES ON FINANCIAL STATEMENTS

31 January 1998

12 Deferred taxation

	1998		1997	
	Potential liability £	Provision made £	Potential liability £	Provision made £
Corporation tax deferred by				
Capital allowances	608	608	480	480
	<u>608</u>	<u>608</u>	<u>480</u>	<u>480</u>

The potential liability and provision are based on a corporation tax rate of 21% (1997 24%).

13 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	207	156
New share capital subscribed	-	5,850
Net addition to shareholders' funds	207	6,006
Opening shareholders' funds	78,766	72,632
Closing shareholders' funds	<u>78,973</u>	<u>78,638</u>

14 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>5,850</u>	<u>5,850</u>	<u>5,850</u>	<u>5,850</u>

PRITCHARD AND SONS LIMITED
NOTES ON FINANCIAL STATEMENTS

31 January 1998

15 Profit and loss account

	1998
	£
1 February 1997	72,916
Retained profit for the year	207
	<hr/>
31 January 1998	73,123
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