

ANN SUMMERS (SALES) LIMITED

GADOLINE HOUSE

2 GODSTONE ROAD

WHYTELEAFE

SURREY

1034349

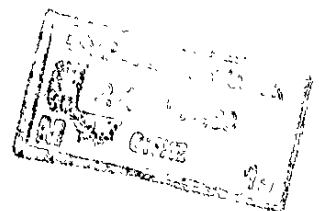
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1987

HARRIS KAFTON

28 BOLTON STREET

LONDON W1Y 8HB

CHARTERED ACCOUNTANTS



DIRECTORS' REPORT:1. ACCOUNTS

The Directors present their report and audited financial statements for the year ended 30 June 1987.

2. RESULTS

The Profit for the year after taxation amounted to: 1,614,052

After adding Revenue Reserves brought forward of: 228,867

There is a balance on Profit and Loss Account which the Directors recommend should be carried forward of: 1,842,919

3. DIVIDENDS

The Directors recommend that no dividends be paid to the Shareholders as they take the view that such a distribution would be prejudicial to the current requirements of the Company's business and the maintenance and development of that business.

4. REVIEW OF THE BUSINESS

The principal activities of the Company are those of distributors of marital aids, books, magazines and specialised clothing.

There were no significant changes in the principal activities of the Company during the year.

Turnover increased by 60% in the year resulting in a satisfactory net profit. The Directors expect the profitability of the Company to continue.

5. FUTURE DEVELOPMENTS

There have been no important events affecting the Company since the balance sheet date.

The Company has carried out no activities in the field of research and development.

6. DIRECTORS

The Directors who served during the year and their respective interests in the Shares of the Company and the Holding Company, A & P Roberts (Holdings) Limited, was as stated below:

Their interests were beneficially owned.

<u>DIRECTOR</u>	<u>CLASS OF SHARE</u>	<u>---NUMBER HELD---</u>	
		<u>AT 30.6.1987</u>	<u>30.6.1986</u>
<u>The Company</u>			
Ralph Gold	Ordinary	-	-
David Gold	Ordinary	-	-
J D'Silva (appointed 10.2.87)	-	-	-
<u>Holding Company</u>			
Ralph Gold	Ordinary	204.5	4.5
David Gold	Ordinary	204.5	4.5

REPORT OF THE DIRECTORS (CONTINUED)

7. FIXED ASSETS

The Company acquired fixed assets during the year as follows:

Motor Vehicles	£ 214,992
Investments Interest in Freehold Property	£ 172,969

The cost of fixed assets disposed of during the year was as follows:

Motor Vehicles	£ 34,694
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8. CAPITAL

No Shares or Debentures were issued during the year.

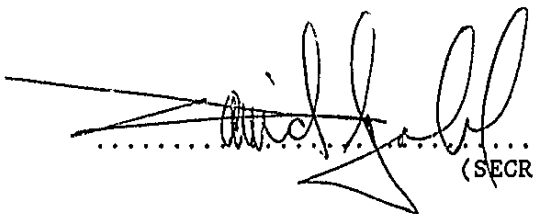
9. TAX STATUS

In the opinion of the Directors the Company is a close company within the meaning of Section 282, Income and Corporation Taxes Act, 1970.

10. AUDITORS

The Auditors, Messrs Harris Kafton, offer themselves and are recommended, for re-appointment under the provisions of Section 384(1), Companies Act 1985.

BY ORDER OF THE BOARD


.....
(SECRETARY)

MARCH 1988

REPORT OF THE AUDITORS TO THE DIRECTORS:

We have reported to the Members on the accounts of the Company for the year ended 30 June 1987 as follows:

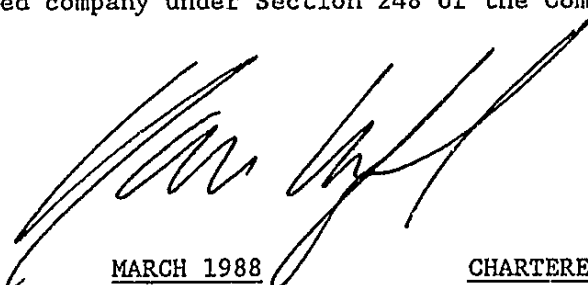
"We have audited the financial statements on pages 4 to 9 in accordance with approved auditing standards.

In our opinion, the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the Company's affairs as at 30 June 1987 and of its Profit and Source and Application of Funds for the year ended 30 June 1987 and comply with the Companies Act, 1985."

We have examined the modified accounts on pages 4 to 9 which have been properly prepared from the accounts of the Company for the year ended 30 June 1987, in the manner permitted for a medium sized company under Section 247 of the Companies Act 1985.

In our opinion, the Company satisfies the requirements for exemption appropriate to a medium sized company under Section 248 of the Companies Act 1985.

HARRIS KAFTON
28 BOLTON STREET
LONDON W1Y 8HB



MARCH 1988

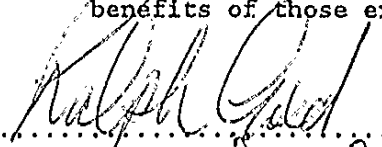
CHARTERED ACCOUNTANTS

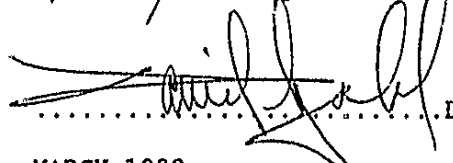
BALANCE SHEET AS AT 30 JUNE 1987

	Notes		As at <u>30.6.1986</u>
<u>FIXED ASSETS</u>			
Tangible Assets	2	144,085	-
Investments	3	<u>471,775</u>	<u>298,806</u>
		615,860	298,806
<u>CURRENT ASSETS</u>			
Trade Debtors	4	595,264	664,853
Amounts owed by Group Companies	3	1,395,163	-
Other Debtors		22,597	100
Prepayments and Accrued Income		29,273	2,778
Cash at Bank on Deposit Account		1,744,000	1,352,000
Cash at Bank on Current Account		14,164	6,121
Cash in Hand		<u>2,350</u>	<u>1,850</u>
		<u>3,802,811</u>	<u>2,027,702</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
Bank Overdraft	6	755,031	19,014
Payments Received on Account		118,140	85,252
Trade Creditors		-	1,436,168
Corporation Tax	8	870,788	131,213
Other Taxation and Social Security		580,756	288,501
Other Creditors		39,302	29,918
Accruals and Deferred Income		<u>211,635</u>	<u>107,475</u>
		<u>2,575,652</u>	<u>2,097,541</u>
NET CURRENT ASSETS (LIABILITIES)		<u>1,227,159</u>	<u>(69,839)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,843,019	228,967
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>			
		-	-
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>			
Deferred Taxation	9	-	-
		<u>1,843,019</u>	<u>228,967</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	10	100	100
Profit and Loss Account		<u>1,842,919</u>	<u>228,867</u>
		<u>1,843,019</u>	<u>228,967</u>

In preparing these modified accounts:

- We have relied upon the exemptions for individual accounts under Section 248 of the Companies Act 1985.
- We have done so on the grounds that the Company is entitled to the benefits of those exemptions as a medium sized company.

 Director

 Director

MARCH 1988

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1987

	<u>Notes</u>		<u>Year Ended</u> <u>30.6.1986</u>
<u>Gross Profit</u>		5,105,727	2,487,070
Distribution Costs		1,959,705	1,534,321
Administrative Expenses	12	<u>1,192,774</u>	<u>833,597</u>
		<u>3,152,479</u>	<u>2,367,918</u>
		1,953,248	119,152
		<u>200,000</u>	<u>-</u>
<u>Operating Profit</u>		2,153,248	119,152
Interest Receivable and Similar Income		<u>331,592</u>	<u>220,852</u>
<u>Profit on Ordinary Activities</u> <u>before Taxation</u>		2,484,840	340,004
Tax on Profit on Ordinary Activities	16	<u>870,788</u>	<u>131,213</u>
<u>Profit for the Financial Year</u>		1,614,052	208,791
Retained Profit Brought Forward		<u>228,867</u>	<u>20,076</u>
<u>Retained Profit Carried Forward</u>		<u>1,842,919</u>	<u>228,867</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 19871. STATEMENT OF ACCOUNTING POLICIESa) Accounting Convention

The accounts have been prepared under the historical cost convention.

b) Depreciation

Depreciation is provided in order to write down the original cost of fixed assets to residual value over their expected useful lives.

The reducing balance method is employed using the following rates:-

Motor Vehicles	25%
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c) Turnover

Turnover represents the invoiced amount of goods sold less returns and is stated net of Value Added Tax.

d) Leasing and Rental Transactions

All leasing premiums have been charged to Profit and Loss Account.

2. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>
<u>Cost</u>	
Transfer from fellow subsidiary at 1.7.1986	156,098
Additions	110,472
Disposals	(34,694)
	<u>231,876</u>
<u>Depreciation</u>	
At 1.7.1986 (From fellow subsidiary)	51,578
Charge for the Year	48,029
On Disposals	(11,816)
	<u>87,791</u>
<u>Net Book Value</u>	
At 30.6.1987	<u>144,085</u>
At 30.6.1986	<u>-</u>

3. INVESTMENTS

<u>At Cost</u>	
Freehold Land and Buildings	
as at 1.7.1986	84,490
Acquired during the Year	172,969
Loan Account	214,316
	<u>471,775</u>

The loan is secured by an equitable charge on the Freehold Property and is repayable on demand.

NOTES TO THE ACCOUNTS (CONTINUED)4. INTEREST IN AND INDEBTEDNESS BETWEEN GROUP COMPANIES

	<u>30.6.1987</u>	<u>30.6.1986</u>
Amounts due from Group Companies		
A & P Roberts (Holdings) Limited	<u>1,395,163</u>	<u>-</u>

The loan is unsecured, interest free and repayable on demand.

5. TRADE DEBTORS

Trade debtors are arrived at after making provision for doubtful debts amounting to £611,009.

6. BANK OVERDRAFT

The amount due to the bank on overdraft is unsecured.

7. LOANS TO AND TRANSACTIONS WITH DIRECTORS

There were no loans or quasi-loans made to the Directors during the year.
The Directors have no interests in any contracts with the Company.

8. CORPORATION TAX

Corporation tax falling due within 1 year is computed at the rate of 35% and is payable on 1st April 1988.

9. DEFERRED TAXATION

Deferred Taxation has not been provided as the Directors are of the opinion that no liability is likely to arise as a result of reversal of timing differences between Capital Allowances claimed and depreciation provided for some considerable period ahead and there is no indication that the situation is likely to change thereafter so as to crystallise the liabilities.

10. SHARE CAPITAL

	<u>Authorised</u>		<u>Issued and Fully Paid</u>	
	<u>30.6.1987</u>	<u>30.6.1986</u>	<u>30.6.1987</u>	<u>30.6.1986</u>
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

11. HOLDING COMPANY

The Company's ultimate holding company is A & P Roberts (Holdings) Limited, incorporated in the United Kingdom.

NOTES TO THE ACCOUNTS (CONTINUED)

13.	<u>ADMINISTRATIVE COSTS</u>	<u>30.6.1987</u>	<u>30.6.1986</u>
	Administrative Costs comprise:		
	Directors' Remuneration (See Note 14)	459,167	350,000
	Auditors' Remuneration	6,420	6,120
	Depreciation and Amortisation	48,029	-
	Other Costs	326,755	174,762
	Provision for Doubtful Debts	352,403	302,715
		<u>1,192,774</u>	<u>833,597</u>
14.	<u>DIRECTORS' REMUNERATION</u>		
	Remuneration and Fees	225,167	170,000
	Pension Contributions	234,000	180,000
		<u>459,167</u>	<u>350,000</u>
	Chairman's Remuneration (excluding pension contributions)	<u>110,000</u>	<u>85,000</u>
	Highest Paid Director (excluding pension contributions)	<u>110,000</u>	<u>85,000</u>
15.	<u>EMPLOYEES</u>		
	The average number of employees during the year was as follows:		
	Distribution	140	136
	Administrative	8	5
		(No) <u>148</u>	(No) <u>141</u>
	Staff costs during the year amounted to:-		
	Wages and Salaries	714,314	668,433
	Social Security Costs	62,365	63,180
		<u>776,679</u>	<u>731,613</u>
16.	<u>PROVISIONS FOR TAXATION ON ORDINARY ACTIVITIES</u>		
	United Kingdom Corporation Tax at the rate of 35%	<u>870,788</u>	<u>131,213</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE
YEAR ENDED 30 JUNE 1987

		<u>Year Ended 30.6.1986</u>
<u>SOURCE OF FUNDS</u>		
Profit before Taxation	2,484,840	340,004
Adjustment for items not involving the movement of funds:		
Depreciation	48,029	-
Loss on Disposal of Fixed Assets	<u>4,903</u>	<u>-</u>
Funds provided from Operations	2,537,772	340,004
<u>FUNDS FROM OTHER SOURCES</u>		
Proceeds of Disposal of Fixed Assets	<u>17,975</u>	<u>-</u>
<u>Total Funds Provided</u>	<u>2,555,747</u>	<u>340,004</u>
 <u>FUNDS APPLIED</u>		
Purchase of Fixed Assets	214,992	-
Investment Acquired	172,969	-
Tax Paid	131,213	4,055
Increase (Decrease) in Cash and Short Term Securities	(335,474)	1,038,751
Increase (Decrease) in Other Current Assets Less Liabilities	<u>2,372,047</u>	<u>(702,802)</u>
<u>Total Funds Applied</u>	<u>2,555,747</u>	<u>340,004</u>