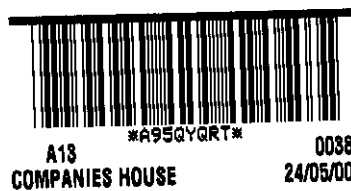


J & J SHARKEY LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST JANUARY 2000

Company No. 1350029



J & J SHARKEY LIMITED

COMPANY INFORMATION

Directors

Mr A.J. Sharkey
Mrs J.F. Sharkey
Mr R.G. Sharkey

Secretary

Mrs J.F. Sharkey

Company number

1350029

Registered office

29 The Mall
Burnley
Lancashire
BB11 1BA

Auditors

Ainsworths
Charter House
Stansfield St.
Nelson
Lancs
BB9 9XY

J & J SHARKEY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST JANUARY 2000

The directors present their report and the audited accounts for the company for the year ended 31st January 2000.

Principal activities

The company's principal activity continued to be that of the retailing of footwear and accessories and there has been no significant change in this activity.

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st January 2000	At 1st February 1999
Mr A.J. Sharkey	Ordinary shares	1	1
Mrs J.F. Sharkey	Ordinary shares	1	1
Mr R.G. Sharkey	Ordinary shares	-	-

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 for that year. In preparing those accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the accounts 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 enable them to ensure that the accounts 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.

J & J SHARKEY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST JANUARY 2000

Small company exemptions

The report of the Directors' has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and was approved by the board on 22nd May 2000, and signed on its behalf.

By order of the Board



Mr A. J. Sharkey, Director
22nd May 2000

29 The Mall
Burnley
Lancashire
BB11 1BA

AUDITORS' REPORT TO THE SHAREHOLDERS OF J & J SHARKEY LIMITED

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

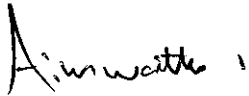
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st January 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ainsworths
Chartered Accountants and Registered Auditors
Charter House
Stansfield St.
Nelson
Lancs
BB9 9XY
Date: 22nd May 2000

J & J SHARKEY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST JANUARY 2000

	Notes	2000 £	1999 £
Turnover	2	598,872	598,129
Cost of sales		(397,022)	(383,303)
Gross profit		201,850	214,826
Distribution costs		(7,134)	(7,182)
Administrative expenses		(167,797)	(146,893)
Operating profit	3	26,919	60,751
Interest payable and similar charges		(6,299)	(8,710)
Profit on ordinary activities before taxation		20,620	52,041
Tax on profit on ordinary activities	5	(2,569)	-
Profit for the financial year	15	18,051	52,041
Retained profit/loss brought forward		7,958	(44,083)
Retained profit carried forward		26,009	7,958

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

J & J SHARKEY LIMITED

BALANCE SHEET

AS AT 31ST JANUARY 2000

	Notes	2000	1999
		£	£
Fixed assets			
Tangible assets	6	<u>19,657</u>	<u>16,882</u>
		19,657	16,882
Current assets			
Stocks		97,170	80,157
Debtors	7	29,930	6,697
Cash at bank and in hand		<u>701</u>	<u>701</u>
		127,801	87,555
Creditors: amounts falling due within one year	8	<u>(121,447)</u>	<u>(93,787)</u>
Net current assets/liabilities		<u>6,354</u>	<u>(6,232)</u>
Total assets less current liabilities		<u>26,011</u>	<u>10,650</u>
Creditors: amounts falling due after more than one year	9	<u>-</u>	<u>(2,690)</u>
		<u>26,011</u>	<u>7,960</u>
Capital and reserves			
Share capital	14	2	2
Profit and loss account	15	<u>26,009</u>	<u>7,958</u>
Shareholders' funds	16	<u>26,011</u>	<u>7,960</u>

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

These accounts were approved by the board on 22nd May 2000 and signed on its behalf by:

Mr A.J. Sharkey
Director



J & J SHARKEY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2000

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives. The rates and periods generally applicable are:

<i>Short leasehold interests</i>	<i>Over the lease term</i>
Motor vehicles	20% on cost
Fixtures and fittings	10% on cost

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred tax is provided for in respect of timing differences to the extent that a tax liability is likely to arise in the foreseeable future, calculated at the rates it is expected that tax will arise.

Contribution to pension funds

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Operating Leases

Rentals under operating leases are charged to profit and loss account in the period in which they are incurred.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

J & J SHARKEY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2000

3 Operating profit

The operating profit is stated after charging or crediting:

	2000	1999
	£	£
Depreciation of tangible fixed assets:		
-owned assets	3,489	4,627
Profit on disposal of fixed assets	(800)	-
Pension contributions	929	831
Auditors' remuneration	1,700	1,600

4 Directors' remuneration

	2000	1999
	£	£
Aggregate emoluments	39,623	31,682
Retirement benefits were accruing to directors under schemes as follows:-	Number	Number
Defined contribution pension schemes	-	2

5 Taxation

	2000	1999
	£	£
Based on the profit for the year:		
UK corporation tax at 20.16%	2,569	-
	2,569	-

J & J SHARKEY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2000

6 Tangible fixed assets

	Short Leasehold Interests £	Plant and machinery etc £	Total £
Cost			
At 1st February 1999	19,083	109,452	128,535
Additions	-	6,264	6,264
Disposals	-	(14,625)	(14,625)
At 31st January 2000	19,083	101,091	120,174
Depreciation			
At 1st February 1999	14,754	96,899	111,653
Charge for the year	346	3,143	3,489
On disposals	-	(14,625)	(14,625)
At 31st January 2000	15,100	85,417	100,517
Net book value			
At 31st January 2000	3,983	15,674	19,657
<i>At 31st January 1999</i>	<i>4,329</i>	<i>12,553</i>	<i>16,882</i>

7 Debtors

	2000 £	1999 £
Trade debtors	14,310	-
Other debtors	15,620	6,697
	29,930	6,697

8 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank loan and overdrafts	54,835	71,913
Trade creditors	1,667	2,136
Other creditors	15,836	16,144
Directors' loans	49,109	3,594
	121,447	93,787

The bank loan and overdraft are secured by a mortgage debenture over the fixed and floating assets of the company incorporating a legal mortgage over one of the two leasehold properties.

'Other creditors' include £6,933 (1999: £6,594) in respect of taxation and social security.

J & J SHARKEY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2000

9 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Other loans (Note 11)	-	2,690
	-	2,690

10 Pension scheme

The company operated a defined contribution pension scheme for the benefit Mr. A. J. and Mrs. J.F. Sharkey. The assets of the scheme were administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £929 (1999 £831).

11 Loans and borrowings

	2000 £	1999 £
Analysis of loans		
Other loans	-	2,690
Bank loans and overdraft	54,835	71,913
Directors' loans	49,109	3,594
	103,944	78,197

Maturity of debt

In one year or less, or on demand	103,944	75,507
In more than one year, but not more than two years	-	2,690
	103,944	78,197

12 Operating lease commitments

At 31st January 2000 the company had annual commitments under non-cancellable operating leases as set out below:

	2000 £	1999 £
Operating leases which expire:		
Within one year	-	27,038
After five years	81,500	33,180
	81,500	60,218

J & J SHARKEY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2000

13 Deferred taxation

Deferred taxation is calculated at a rate of 20%.
No provision was required as at 31st January 2000.

	Amount Unprovided 2000 £	1999 £
Accelerated capital allowances	856	536
	<u>856</u>	<u>536</u>
Less:		
Unrelieved losses carried forward	-	536
	<u>856</u>	<u>-</u>

14 Share capital

Authorised

1,000 Ordinary shares of £1.00 each

2000 £	1999 £
<u>1,000</u>	<u>1,000</u>

Allotted

2 Allotted, called up and fully paid ordinary shares of £1.00 each

<u>2</u>	<u>2</u>
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15 Reserves

At 1st February 1998

Profit for the year

Profit and Loss Account £
(44,083)
<u>52,041</u>

At 1st February 1999

Profit for the year

7,958
<u>18,051</u>

At 31st January 2000

<u>26,009</u>

16 Reconciliation of movement in shareholders' funds

Profit for the financial year

Increase in the shareholders' funds

Opening shareholders' funds

Closing shareholders' funds

2000 £	1999 £
<u>18,051</u>	<u>52,041</u>
<u>18,051</u>	<u>52,041</u>
<u>7,960</u>	<u>(44,081)</u>
<u>26,011</u>	<u>7,960</u>

J & J SHARKEY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2000

17 Related Party Transactions

2000

1999

£

£

During the year the movements on Mr. A.J. and Mrs. J.F. Sharkey's loan account were as follows:

Balance brought forward

(3,594)

(7,594)

Net transactions

45,515

4,000

Balance carried forward

(49,109)

(3,594)

18 Other Matters

Licensing Agreement:

Under the terms of the Clarks Shop Agreement, the company is required to meet minimum purchasing requirements in return for the exclusive use of the Clarks logo.

Directors:

The company's Articles of Association empowers Clarks to nominate a person to be a director of the company at any time.