

Registered Number: 01457518

PEGASUS HORSESHOES LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1997



**DUNCAN
& TOPLIS**
CHARTERED ACCOUNTANTS
& REGISTERED AUDITOR

PEGASUS HORSESHOES LIMITED

AUDITORS' REPORT TO PEGASUS HORSESHOES LIMITED
• UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 7 together with the financial statements of the company for the year ended 31 October 1997 under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985.

It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 7 are properly prepared in accordance with these provisions.



DUNCAN & TOPLIS
Chartered Accountants
& Registered Auditor,
14 All Saints Street,
Stamford,
Lincs.

30 July 1998
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PEGASUS HORSESHOES LIMITED

ABBREVIATED BALANCE SHEET

31 OCTOBER 1997

		1997	1996
	Note	£	£
FIXED ASSETS			
Intangible assets	2	59,119	56,573
Tangible assets	3	62,579	59,776
Investments	4	542,106	542,106
		<u>663,804</u>	<u>658,455</u>
CURRENT ASSETS			
Debtors		229,318	270,456
Cash at bank and in hand		129,566	201,326
		<u>358,884</u>	<u>471,782</u>
CREDITORS: Amounts falling due within one year		390,104	467,122
NET CURRENT (LIABILITIES)/ASSETS		<u>(31,220)</u>	<u>4,660</u>
NET ASSETS		<u>632,584</u>	<u>663,115</u>
CAPITAL AND RESERVES			
Called up share capital	5	9,000	10,000
Capital redemption reserve		1,000	-
Profit and loss account		622,584	653,115
		<u>632,584</u>	<u>663,115</u>

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

Approved by the Board on ...29...10...1998

S E Dale



DIRECTOR

PEGASUS HORSESHOES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

31 OCTOBER 1997

1 ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Consolidation

The company has not prepared group accounts as it qualifies as a small group and, as such, has taken advantage of exemption from preparing group accounts under s.248 Companies Act 1985. Accordingly these financial statements give information about the company as an individual undertaking.

Cashflow Statement

In accordance with Financial Reporting Standard 1, the company has not prepared a cashflow statement as in the opinion of the directors the company qualifies as a small company under s.247 Companies Act 1985 and is therefore exempt.

Turnover

Turnover represents amounts charged to customers for goods and services provided during the year, excluding value added tax and trade discounts.

Intangible Fixed Assets

Patents: The cost of patents is written off over their expected useful lives.

Development costs: The development costs of new products are capitalised provided that the directors are satisfied as to the financial viability of the individual projects. No depreciation is provided until such time as these products are in commercial production. The development costs are then depreciated at a rate based on the anticipated life of each new product.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are depreciated at rates calculated to write off the cost (less estimated residual value) of each asset over its expected useful life at the following annual rates:

Horses	- nil
Tools and equipment	- 15% on written down value
Motor vehicles	- 25% on written down value
Office equipment	- 15% on written down value

The horses are not depreciated as in the opinion of the directors they are of an age where their value does not significantly decline from year to year.

PEGASUS HORSESHOES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

31 OCTOBER 1997

1 ACCOUNTING POLICIES (Continued)

Deferred Taxation

Deferred taxation is provided using the liability method in respect of all timing differences that are expected to reverse in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme for the benefit of the directors where contributions are made to an external pension scheme to provide for retirement benefits and are charged to the profit and loss account as incurred.

Investment in Subsidiary

Investment in subsidiary is stated at the lower of cost and the company's share of net assets.

Current Asset Investments

Current asset investments are stated at the lower of cost and net realisable value.

2 INTANGIBLE FIXED ASSETS

	Total £
Cost:	
At 1 November 1996	70,195
Additions	7,466
	<hr/>
At 31 October 1997	77,661
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Depreciation:	
At 1 November 1996	15,281
Charge for the year	3,261
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At 31 October 1997	18,542
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Net book value:	
At 31 October 1997	59,119
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At 31 October 1996	54,914
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PEGASUS HORSESHOES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

31 OCTOBER 1997

3 TANGIBLE FIXED ASSETS

	Total
	£
Cost:	
At 1 November 1996	192,229
Additions	12,434
	<hr/>
At 31 October 1997	204,663
	<hr/>
Depreciation:	
At 1 November 1996	132,453
Charge for the year	9,631
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At 31 October 1997	142,084
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Net book value:	
At 31 October 1997	62,579
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At 31 October 1996	59,776
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PEGASUS HORSESHOES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

31 OCTOBER 1997

4 FIXED ASSET INVESTMENTS

	1997 £	1996 £
Investment in subsidiary undertakings at cost	542,106	542,106

The investments represent 100% interests in the issued share capital of A J Pledger & Co (Metals) Limited (investment £542,104) and West Side Health and Fitness Club Limited (investment £2) both of which are unlisted companies in England.

The principal activity of A J Pledger & Co (Metals) Limited is horseshoe manufacturing and its most recent financial statements showed:

Year end	Net assets £	Profit for the year £
31 December 1997	1,576,276	7,520

The company's directors consider that the cost of changing the financial year end of A J Pledger & Co (Metals) Limited to be co-terminus with that of Pegasus Horseshoes Limited cannot be justified given the limited benefits which would result.

Pegasus Horseshoes Limited made sales during the year of £487,109 to A J Pledger & Co (Metals) Limited.

At the balance sheet date Pegasus Horseshoes Limited had the following balances with AJ Pledger & Co (Metals) Limited:

(i) Owed to Pegasus Horseshoes Limited	£42,448
(ii) Owed by Pegasus Horseshoes Limited	£346,754

These amounts are included in debtors and creditors respectively.

The principal activity of West Side Health & Fitness Club Limited is that of a health and fitness club and its most recent financial statements showed:

Year end	Net liabilities £	Profit for the year £
31 October 1997	(9,152)	20,052

Pegasus Horseshoes Limited made loans during the year to Westside Health and Fitness Club Limited. These loans were interest free and at the balance sheet date the amount owed to Pegasus Horseshoes Limited was £155,912. This amount is included in debtors.

PEGASUS HORSESHOES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

31 OCTOBER 1997

5 CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised: 10,000 Ordinary shares of £1 each	10,000	10,000
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Allotted, issued and fully paid: 9,000 Ordinary shares of £1 each	9,000	10,000
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The company repurchased 1,000 ordinary shares in June 1997 for a total consideration of £85,000.

6 TRANSACTIONS WITH DIRECTORS

During the year the company had the following transactions with an unincorporated business, known as Pegasus Horseshoes, in which S E Dale was the sole proprietor:

- (i) The company made purchases amounting to £217,686 (1996:£241,945).
- (ii) The company incurred a management charge of £15,000 (1996:£15,000).

At the balance sheet date the company had the following balances with Pegasus Horseshoes.

Due to the unincorporated business by the company	£4,405
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This balance is included in creditors.