

GRAHAM PORTER AND COMPANY (RUGBY) LIMITED

<u>Directors</u>	:	G. S. C. Porter Esq. M. Lewis Esq. N. M. Carroll Esq.
<u>Secretary</u>	:	G. S. C. Porter Esq.
<u>Registered Office</u>	:	265 Stratford Road Shirley Solihull West Midlands B90 3AL
<u>Registered Number</u>	:	2995092 England and Wales
<u>Accountants</u>	:	R. K. Thomas & Company Chartered Accountants 259a Stratford Road Shirley Solihull West Midlands B90 3AL
<u>Bankers</u>	:	Lloyds TSB Bank plc 56 Chestnut Avenue Oadby Leicester LE2 5JG



REPORT OF THE DIRECTORS

The Directors submit their Annual Report and Financial Statements for the year ended 30th June 2002.

PRINCIPAL ACTIVITIES AND EXPORTS

The Company continued to trade as a shoe repairer.

PROFITS AND APPROPRIATIONS

	<u>£</u>
Profit for the Year, after taxation	1,220
Balance brought forward	189
	<hr/>
Unappropriated Profits	1,409
	=====

The Directors recommend that this balance should be carried forward and that no dividend should be paid.

SUBSCRIPTIONS

No charitable or political donations were made during the year.

FIXED ASSETS

Details of the changes are shown in the notes forming part of these financial statements. No assets have a significant difference in value between book value reported and market value.

DIRECTORS

The following were Directors throughout the financial year. Their shareholdings in the Company are shown at the beginning and ending of the year.

	<u>Interest in Shares</u>	
	<u>2002</u>	<u>2001</u>
G. S. C. Porter Esq. - Ordinary shares of £1 each	85	85
M. Lewis Esq. - Ordinary shares of £1 each	10	10
N. M. Carroll Esq. - Ordinary shares of £1 each	5	5

In accordance with the Articles of Association, none of the Directors retire.

POST BALANCE SHEET EVENTS

No post balance sheet events have occurred since 30th June 2002 which require reporting or disclosing in the accounts.

CLOSE COMPANY PROVISION

The Company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988. There has been no change in this respect since the end of the financial year.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare 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 these 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.

Follow applicable accounting standards, 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.

ACCOUNTANTS

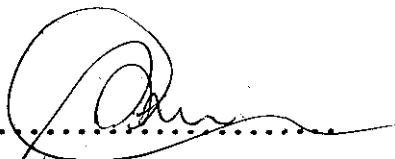
The Accountants R.K. Thomas & Co., Chartered Accountants have indicated their willingness to continue to act for the company. Accordingly, a resolution will be proposed at the forthcoming Annual General Meeting.

BASIS OF PREPARATION

The directors report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 20th May 2003

SIGNED :



G. S. C. PORTER ESQ.  
Company Secretary

TO THE SHAREHOLDERS OF

GRAHAM PORTER AND COMPANY (RUGBY) LIMITED

In accordance with instructions received, we have prepared without carrying out an audit the financial statements set out on pages 3 to 8 for the year ended 30th June 2002.

These financial statements were prepared from the accounting records of the company and information and explanations supplied to us.

Our review was limited primarily to enquiries of the directors and their staff and analytical procedures applied to financial data.

Since we have not carried out an audit, we do not express an audit opinion of the attached financial statements.

SHIRLEY

WEST MIDLANDS

DATE 22.05.2002



R.K. THOMAS & CO.

CHARTERED ACCOUNTANTS

<u>PROFIT AND LOSS ACCOUNT</u>		<u>YEAR ENDED</u>		<u>YEAR ENDED</u>	
		<u>30TH JUNE 2002</u>		<u>30TH JUNE 2001</u>	
	<u>NOTE</u>	<u>£</u>		<u>£</u>	
Sales for the Year	2	47,706.67		41,341	
Cost of Sales		12,177.68		9,863	
		<hr/>		<hr/>	
Gross Profit		35,528.99		31,478	
Administrative Expenses		34,183.05		30,133	
		<hr/>		<hr/>	
Operating Profit	3	1,345.94		1,345	
Interest Paid	6	3.42		1	
		<hr/>		<hr/>	
Net Profit for the Year, before Taxation		1,342.52		1,344	
Provision for Corporation Tax	7	122.80		155	
		<hr/>		<hr/>	
Net Profit for the Year, after Taxation	11	1,219.72		1,189	
Unappropriated Profits/Adverse Balance brought forward		188.96		( 1,000)	
		<hr/>		<hr/>	
Unappropriated Profits carried forward		1,408.68		189	
		<hr/>		<hr/>	

The results are derived from continuing operations.

The Profit and Loss Account reflects all recognised gains and losses during the year.

The notes on pages 5 to 8 form part of these financial statements.

BALANCE SHEET30TH JUNE 200230TH JUNE 2001

	<u>NOTE</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>CAPITAL AND RESERVES:-</u>					
<u>CALLED-UP SHARE CAPITAL:-</u>		<u>AUTHORISED</u>	<u>ISSUED AND FULLY PAID</u>	<u>AUTHORISED</u>	<u>ISSUED AND FULLY PAID</u>
Ordinary shares of £1 each		100.00	100.00	100	100
		=====		=====	
<u>REVENUE RESERVE:-</u>					
Profit and Loss Account:-					
Unappropriated Profits	11		1,408.68		189
			-----		-----
			1,508.68		289
			=====		=====
<u>REPRESENTED BY:-</u>					
<u>FIXED ASSETS:-</u>					
Tangible Assets	8		2,566.00		3,208
<u>CURRENT ASSETS:-</u>					
Stock on Hand	9	3,336.00		3,210	
Debtors		11,714.78		10,715	
Cash at Bank		1,248.81		808	
Cash in Hand		496.86		5	
Related Company balances		760.36		760	
		-----		-----	
		17,556.81		15,498	
		=====		=====	
<u>CREDITORS FALLING DUE WITHIN ONE YEAR:-</u>					
Creditors and Accrued Charges	10	2,157.09		1,930	
Directors loan account		16,332.04		16,332	
Taxation		125.00		155	
		-----		-----	
		18,614.13		18,417	
		=====		=====	
<u>NET CURRENT LIABILITIES</u>		( 1,057.32)	( 1,057.32)	( 2,919)	( 2,919)
		=====	-----	=====	-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			1,508.68		289
			=====		=====

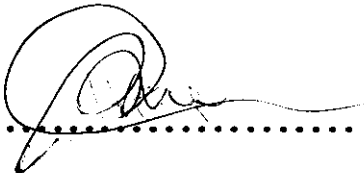
BALANCE SHEET (CONT.)30TH JUNE 2002Exemptions from audit

The directors confirm :-

- (a) The company is entitled to exemption under Section 249A (1) of the Companies Act 1985 from the requirement to have its financial statements audited.
- (b) No notice has been deposited under Section 249B (2) by holders of 10% or more of the company's shares.
- (c) and acknowledge their responsibilities for :-
  - (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Act.
  - (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the year end date above and of its profit or loss for the year in accordance with the requirements of Section 226 of the Act and which otherwise comply with the requirements of the Act, so far as applicable to the company.

Reduced disclosure allowed for small companies

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.



G. S. C. PORTER ESQ.  
DIRECTOR



M. LEWIS ESQ.  
DIRECTOR

Approved on 20th May 2003

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2002

1. ACCOUNTING POLICIES

(a) Accounting basis and standards

The financial statements have been prepared under the Historical Cost Convention and in accordance with applicable accounting standards.

The Company has taken advantage of the exemptions in Reporting Statement No. 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

(b) Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset over its expected useful life as follows:-

Plant and machinery	- 20% reducing balance per annum
Fixtures and fittings	- 20% reducing balance per annum

(c) Stock on hand

Stock on hand is stated at the lower of cost or net realisable value

(d) Turnover

Turnover represents value of goods sold to customers during the year.

2. TURNOVER

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

3. OPERATING PROFIT

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
The operating profit is stated after charging:		
Depreciation:		
Owned tangible fixed assets	642	802
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2002 (cont.)

4. EMPLOYEE INFORMATION

The average number of persons employed by the company  
(including directors) during the year was:-

	<u>2002</u>	<u>2001</u>
Production	2	2
Administration	1	1
	=====	=====

Their total remuneration was:-

	<u>£</u>	<u>£</u>
Wages and salaries	7,225	6,050
Social security costs	-	-
	-----	-----
	7,225	6,050
	=====	=====

5. DIRECTORS' EMOLUMENTS

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
(i) Aggregate emoluments	Nil	Nil
	=====	=====
(ii) No directors held or exercised any share options in the year.		

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Bank interest	1	1
Interest on corporation tax	2	-
	-----	-----
	3	1
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2002 (cont.)

7. TAXATION

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Corporation tax payable at the rate of 10%	125	155
Adjustment in respect of previous year	( 2 )	-
	<u>123</u>	<u>155</u>
	=====	=====

8. FIXED ASSETS (TANGIBLE)

	<u>Plant and machinery</u>	<u>Fixtures and fittings</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost at 30th June 2001	8,049	3,890	11,939
	<u>          </u>	<u>          </u>	<u>          </u>
Cost at 30th June 2002	8,049	3,890	11,939
	=====	=====	=====
Depreciation			
Depreciation at 30th June 2001	5,901	2,830	8,731
Charge for the year	430	212	642
	<u>          </u>	<u>          </u>	<u>          </u>
Depreciation at 30th June 2002	6,331	3,042	9,373
	=====	=====	=====
Net book values:			
at 30th June 2002	1,718	848	2,566
	=====	=====	=====
at 30th June 2001	2,148	1,060	3,208
	=====	=====	=====

9. STOCK ON HAND

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Stock on hand	3,336	3,210
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2002 (cont.)

10. CREDITORS AND ACCRUED CHARGES  
FALLING DUE WITHIN ONE YEAR

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Creditors	1,100	909
Accruals and deferred income	1,057	1,021
	<u>2,157</u>	<u>1,930</u>
	=====	=====

11. SHAREHOLDERS' FUNDS

	<u>Called-up share capital</u>	<u>Profit and loss account</u>	<u>2002 Total</u>	<u>2001 Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Balance at 1st July 2001	100	189	289	( 900)
Transfer from profit and loss account	-	1,220	1,220	1,189
Balance at 30th June 2002	<u>100</u>	<u>1,409</u>	<u>1,509</u>	<u>289</u>
	===	=====	=====	=====

12. CAPITAL COMMITMENTS

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Expenditure contracted but not provided in the financial statements	Nil	Nil
	=====	=====

13. CONTINGENT LIABILITIES

There were no contingent liabilities outstanding at 30th June 2002.  
(2001 : Nil)

14. CONTROLLING PARTY

Mr. G. S. C. Porter, a director, controls the company by virtue of his holding of 85% of the issued ordinary share capital.