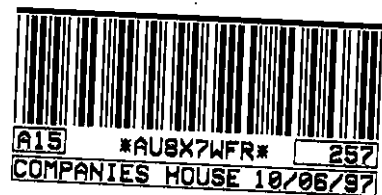


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BAYCLOBBER LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 1997



**C AND A
ACCOUNTANCY SERVICES
6 RUNSWICK COURT
CLOVELLY WAY
STEVENAGE, HERTS.
SG1 2RF
PHONE: 307202**

BAYCLOBBER LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 1997

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BAYCLOBBER LIMITED

GENERAL INFORMATION

year ended 31 January 1997

DIRECTORS

C.J.Cotton
G.M.Cotton

SECRETARY

G.M.Cotton

REGISTERED OFFICE

22 Market Hill
Sudbury
Suffolk

SOLICITORS

Bates Wells and Braithwaite
Sudbury
Suffolk

AUDITORS

Chancellors
Hitchin
Herts.

BANKERS

Giro Bank
Birmingham

COMPANY REGISTRATION NUMBER

1520412

BAYCLOBBER LIMITED

REPORT OF THE DIRECTORS
year ended 31 January 1997

The Directors present their report and the audited financial statements for the year ended 31 January 1997.

ACTIVITIES

During the year the company continued to trade solely as retailers of footwear.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, was £17693 (1996: profit £13504). £3193 has been transferred to reserves.

An ordinary dividend of £7250 per share totalling £14500 was paid in the year.

BUSINESS REVIEW AND FUTURE DEVELOPMENT

The results for the year are set out in the annexed profit and loss account. The state of affairs of the company is set out in the annexed balance sheet.

CAPITAL EXPENDITURE

Capital expenditure during the year was £18467. (1996: £451)

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

DIRECTORS

Mr.C.J.Cotton and Mrs.G.M.Cotton were directors throughout the year. Their beneficial interests in the ordinary shares of the company were:-

C.J.Cotton - 1 : G.M.Cotton - 1

In accordance with the Articles of Association Mr.C.J.Cotton retires by rotation and being eligible, offers himself for re-election.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Chancellors as Auditors of the company for the ensuing year will be put to the members at the forthcoming Annual General Meeting.

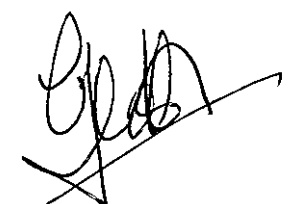
BY ORDER OF THE BOARD

SECRETARY

G M Cotton

BAYCLOBBER LIMITEDBALANCE SHEET
31 January 1997

		<u>1997</u>		<u>1996</u>	
	<u>Note</u>	£	£	£	£
FIXED ASSETS					
Intangible assets	2		2000		2000
Tangible assets	3		<u>22006</u>		<u>11007</u>
			24006		13007
CURRENT ASSETS					
Stocks	4	45106		52987	
Debtors and prepayments	5	4635		4678	
Cash at bank and in hand		<u>25985</u>		<u>24301</u>	
		<u>75726</u>		<u>81966</u>	
CREDITORS, AMOUNTS FALLING DUE WITHIN ONE YEAR					
Trade creditors		9194		2000	
Other creditors	6	<u>9195</u>		<u>8518</u>	
		<u>18389</u>		<u>10518</u>	
NET CURRENT ASSETS			<u>57337</u>		<u>71448</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			81343		84455
CREDITORS, AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
Directors' loan & current accounts	7		<u>57107</u>		<u>63853</u>
			24236		20602
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	8		<u>1580</u>		<u>1139</u>
			<u>22656</u>		<u>19463</u>
CAPITAL AND RESERVES					
Share capital	9		2		2
Profit and loss account			<u>22654</u>		<u>19461</u>
			<u>22656</u>		<u>19463</u>

Go Mo Cotton


BAYCLOBBER LIMITEDPROFIT AND LOSS ACCOUNT
year ended 31 January 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
TURNOVER	10.	307525	276947
Cost of sales		<u>184303</u>	<u>170323</u>
GROSS PROFIT		123222	106624
Operating expenses		<u>96490</u>	<u>86139</u>
OPERATING PROFIT	11	26732	20485
Non trading income	12	<u>323</u>	<u>510</u>
		27055	20995
Interest and similar charges	13	<u>3572</u>	<u>2850</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		23483	18145
Taxation on ordinary activities	15	<u>5790</u>	<u>4641</u>
PROFIT FOR THE FINANCIAL YEAR		17693	13504
Dividends		<u>14500</u>	<u>16000</u>
TRANSFERRED TO/(FROM) RESERVES		3193	(2496)
Retained profit brought forward		<u>19461</u>	<u>21957</u>
RETAINED PROFIT CARRIED FORWARD		<u>22654</u>	<u>19461</u>

BAYCLOBBER LIMITED

SOURCE AND APPLICATION OF FUNDS
year ended 31 January 1997

	<u>1997</u>	<u>1996</u>
	£	£
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	23483	18145
Adjustment for items not involving the movement of funds:		
Depreciation	<u>3882</u>	<u>2505</u>
	27365	20650
Funds from other sources:		
Sale of fixed assets	<u>3586</u>	<u>-</u>
TOTAL GENERATED FROM OPERATIONS	30951	20650
APPLICATION OF FUNDS		
Dividends paid	14500	16000
Purchase of fixed assets	18467	451
Corporation tax paid	<u>4246</u>	<u>5862</u>
	<u>37213</u>	<u>22313</u>
	<u>(6262)</u>	<u>(1663)</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Stocks	(7881)	(3096)
Debtors	(43)	(384)
Creditors	(22)	2769
Movement in net liquid funds:		
Bank and cash balances	<u>1684</u>	<u>(952)</u>
	<u>(6262)</u>	<u>(1663)</u>

BAYCLOBBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS year ended 31 January 1997

1. ACCOUNTING POLICIES

Accounting basis

The financial statements are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to evenly write off the cost, less the estimated residual value, of each asset over its expected useful life as follows:

Office equipment	- 15%
Fixtures and fittings	- 15%

Stocks

Stocks include items purchased and exclude items sold, subject to reservation of title. Stocks are stated at the lower of cost or net realisable value.

Deferred taxation

Full provision has been made at the year end using the liability method in respect of timing differences between the treatment of certain items for taxation and accounting purposes.

2. INTANGIBLE FIXED ASSETS

	<u>1997</u>	<u>1996</u>
	£	£
Unlisted investments at cost	<u>2000</u>	<u>2000</u>

The unquoted investments comprise a holding in the Holiday Property Bond which is administered by the Isle of Man Assurance Limited.
The value of this investment on 31 January 1997 was £1251. (1996: £1379)

BAYCLOBBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
year ended 31 January 1997

3. TANGIBLE FIXED ASSETS

	<u>Total</u>	<u>Office</u>	<u>Fixtures</u>	<u>Motor</u>
	<u>£</u>	<u>equip.</u>	<u>& fitt.</u>	<u>vehicle</u>
		<u>£</u>	<u>£</u>	<u>£</u>
Brought forward	71752	5928	44295	21529
Disposal	<u>21529</u>			<u>21529</u>
	50223	5928	44295	-
Additions	<u>18467</u>	<u>1926</u>	<u>16541</u>	
Carried forward	<u>68690</u>	<u>7854</u>	<u>60836</u>	
Depreciation:				
Brought forward	60745	3961	38841	17943
Eliminated on disposal	<u>17943</u>			<u>17943</u>
	42802	3961	38841	-
Charge for year	<u>3882</u>	<u>583</u>	<u>3299</u>	
Carried forward	<u>46684</u>	<u>4544</u>	<u>42140</u>	
NET BOOK VALUE 1997	<u>22006</u>	<u>3310</u>	<u>18696</u>	
NET BOOK VALUE 1996	<u>11007</u>	<u>1967</u>	<u>5454</u>	<u>3586</u>

4. STOCKS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
A full stock-take was made on 31 January 1997. The main category of stock is:-		
Goods for re-sale	<u>45106</u>	<u>52987</u>

5. DEBTORS

A.C.T.	217	217
Prepayments	<u>4418</u>	<u>4461</u>
	<u>4635</u>	<u>4678</u>

6. OTHER CREDITORS, AMOUNTS FALLING
DUE WITHIN ONE YEAR

Taxation and social security	7394	6732
Accruals	1640	1625
Other creditors	<u>161</u>	<u>161</u>
	<u>9195</u>	<u>8518</u>

BAYCLOBBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
year ended 31 January 1997

7. CREDITORS, AMOUNTS FALLING DUE
 AFTER MORE THAN ONE YEAR

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Directors' current account	14187	20933
Directors' loan account	<u>42920</u>	<u>42920</u>
	<u>57107</u>	<u>63853</u>

The directors' loan account is free of interest,
 with no fixed date for repayment.

8. DEFERRED TAXATION

At 1 February 1996	1139	1226
Debited/(credited) to P & L Account	<u>441</u>	<u>(87)</u>
At 31 January 1997	<u>1580</u>	<u>1139</u>

9. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, issued and fully paid</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>2</u>	<u>2</u>

10. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided, stated net of value added tax. The turnover is attributable to one activity, the retailing of footwear, and arises wholly in the United Kingdom.

11. OPERATING PROFIT

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
This is stated after charging:-		
Directors' remuneration	8359	3687
Depreciation - owned assets	3882	2505
Operating leases	333	297
Auditors remuneration	<u>350</u>	<u>350</u>

BAYCLOBBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
year ended 31 January 1997

12. NON TRADING INCOME

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Bank deposit interest	<u>323</u>	<u>510</u>

13. INTEREST PAYABLE AND SIMILAR CHARGES

Bank charges and interest	1105	994
Credit card charges	<u>2467</u>	<u>1856</u>
	<u>3572</u>	<u>2850</u>

14. STAFF COSTS (DIRECTORS AND EMPLOYEES)

Wages and salaries	36298	33074
Social security costs	2121	774
Pensions	<u>5600</u>	<u>5600</u>
	<u>44019</u>	<u>39448</u>

The average weekly number of employees during the year was made up as follows:-

Management	1	1
Sales staff	<u>4</u>	<u>4</u>
	<u>5</u>	<u>5</u>

15. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Corporation Tax based on the profit for the year	5349	4729
Transfer to/(from) Deferred Taxation	<u>441</u>	<u>(88)</u>
	<u>5790</u>	<u>4641</u>

BAYCLOBBER LIMITED

REPORT OF THE AUDITORS
year ended 31 January 1997

To the members of Bayclobber Limited

We have audited the financial statements on pages 2 to 9 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 January 1997 and of the profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHANCELLERS

38/39 Bucklersbury
Hitchin, Herts.

BAYCLOBBER LIMITEDOPERATING STATEMENT
year ended 31 January 1997

	<u>1997</u>		<u>1996</u>	
	£	£	£	£
SALES		307525		276947
COST OF SALES				
Opening stock	52987		56083	
Purchases	<u>181500</u>		<u>172387</u>	
	234487		228470	
Closing stock	<u>45106</u>		<u>52987</u>	
	189381		175483	
	118144		101464	
Discounts taken	<u>5078</u>		<u>5160</u>	
GROSS PROFIT		123222		106624
INTEREST RECEIVED		<u>323</u>		<u>510</u>
		123545		107134
ADMINISTRATIVE EXPENSES				
Directors' remuneration	8359		3687	
Pensions	5600		5600	
Medical insurance	-		49	
Salaries	30060		30161	
Rent and rates	34243		30703	
Light and heat	1829		1656	
Insurance	1174		1803	
Telephone	885		680	
Postage and stationery	806		756	
Advertising	373		1139	
Repairs and renewals	1640		751	
Vehicle and travel expenses	4162		2907	
Data processing fees	275		527	
Equipment hire	333		297	
Accountancy and audit	1000		1000	
General and cleaning expenses	<u>1869</u>		<u>1918</u>	
	<u>92608</u>		<u>83634</u>	
FINANCIAL CHARGES				
Bank charges and interest	1105		994	
Credit card charges	<u>2467</u>		<u>1856</u>	
	<u>3572</u>		<u>2850</u>	
DEPRECIATION				
Office equipment	583		347	
Fixtures and fittings	3299		963	
Motor vehicle	-		1195	
	<u>3882</u>		<u>2505</u>	
		100062		88989
NET PROFIT FOR THE YEAR		<u>23483</u>		<u>18145</u>