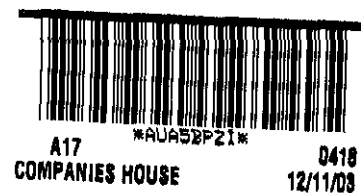


**RYAN LEATHERS LIMITED**

**FINANCIAL STATEMENTS**

**31ST DECEMBER 2002**

Company Number 2765646



STEPHEN R. BELL  
Chartered Accountant  
30 Avon Way  
South Woodford  
London E18 2AR

# **RYAN LEATHERS LIMITED**

## **DIRECTORS' REPORT FOR THE PERIOD ENDED 31st December 2002**

The Directors present their Report together with the Financial Statements for year ended 31st December 2002.

**PRINCIPAL ACTIVITY** - The Company carries on the business of leather wholesalers.

**DIRECTORS** - The Directors who served during the period and their interests in the company's issued ordinary share capital were:

	<b>Number of Shares</b>	
	<b>31/12/01</b>	<b>31/12/02</b>
B.G. McInerney	1	1

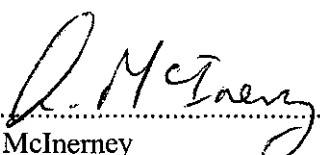
**DIRECTORS' RESPONSIBILITIES** - Company law requires the directors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, 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 maintaining 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared taking advantage of special exemptions of Part VII of the Companies Act 1985 applicable to small companies and in accordance with the Financial Reporting Standard for Smaller. The members have elected to take advantage of the change in regulations exempting the need for the accounts to be audited.

**BY ORDER OF THE BOARD**

  
A.J. McInerney

**Date** 28/10/03

**SECRETARY**

**RYAN LEATHERS LIMITED**

**PROFIT AND LOSS ACCOUNT for the Year ended 31ST DECEMBER 2002**

	<b>Note</b>	<b>2002</b>	<b>2001</b>
<b>TURNOVER</b>		£791,121	£939,957
Cost of Sales		<u>647,759</u>	<u>793,685</u>
<b>GROSS PROFIT</b>		143,362	146,272
Administrative expenses		<u>101,847</u>	<u>124,699</u>
<b>OPERATING PROFIT</b>	2	41,515	21,573
Interest Receivable		<u>849</u>	<u>2,568</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		42,364	24,141
Taxation on Profit on Ordinary Activities	3	<u>4,716</u>	<u>4,674</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		37,648	19,467
Dividend		<u>36,000</u>	<u>31,000</u>
<b>Retained Profit for the Year</b>		1,648	(11,533)
Retained Profit Brought Forward		<u>62,448</u>	<u>73,981</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>£64,096</u>	<u>£62,448</u>

The notes on pages 4 to 6 form part of these Financial Statements.

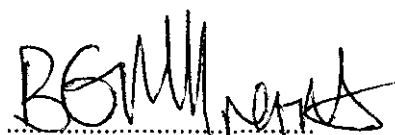
**RYAN LEATHERS LIMITED****BALANCE SHEET AS AT 31ST DECEMBER 2002**

	Note	2002	2001
<b>FIXED ASSETS</b>			
Tangible Assets	4	£3,071	£4,095
<b>CURRENT ASSETS</b>			
Stocks		63,156	110,193
Debtors	5	208,719	201,150
Cash at Bank and in Hand		<u>111,712</u>	<u>128,827</u>
		383,587	440,170
<b>CREDITORS</b> -amounts falling due within one year	6	<u>322,560</u>	<u>381,815</u>
<b>Net Current Assets</b>		<u>61,027</u>	<u>58,355</u>
		<u>£64,098</u>	<u>£62,450</u>
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	7	£2	£2
Profit and Loss Account		<u>64,096</u>	<u>62,448</u>
<b>Shareholders' Funds</b>		<u>£64,098</u>	<u>£62,450</u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities. Advantage has been taken of the exemption conferred by section 249A(1) not to have these accounts audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985. The financial statements were approved by the board on 28 October 2002 and signed on its behalf.

The directors confirm that:

- The Company is entitled to exemption from audit for the year;
- No members holding 10% or more of the shares have requested an audit;
- They acknowledge their responsibility for;
  1. Ensuring that the Company keeps accounting records which comply with section 221, Companies Act 1985.
  2. Preparing accounts which give a true and fair view of the state of affairs of the Company as at the financial year end and of its profit in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts.



B.G. McInerney  
**DIRECTOR**

The notes on pages 4 to 6 form part of these Financial Statements.

## RYAN LEATHERS LIMITED

### NOTES ON THE FINANCIAL STATEMENTS

#### 1. ACCOUNTING POLICIES

**1.1 Basis of preparation of financial statements** - The Financial Statements are prepared under the historical cost convention.

**1.2 Turnover** - Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts – all of which arises in the United Kingdom.

**1.3 Operating Leases** - Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

**1.4 Tangible fixed assets and depreciation** - Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation over their expected useful lives on a straight line basis:

Equipment	25%
Vehicle	25%

**1.5 Hire Purchase** - Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and depreciated over their useful lives.

**1.6 Stocks** - Stocks and work in progress are valued at the lower of cost or net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.7 Foreign Currencies** - Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the date ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**1.8** The company operates a personal pension scheme for the director and the pension charge represents the amount payable by the company to the fund for the year.

#### 2. OPERATING PROFIT

The operating profit is stated after charging:

	2002	2001
Directors Emoluments	10,530	18,029
Operating lease rentals - Land & buildings	7,000	7,000
Depreciation-Tangible assets		
owned by the company	1,024	403
held under finance leases	-	6,212
Pension costs	-	2,880
Loss/(Profit) on Exchange	-	1

#### 3. TAXATION

Corporation Tax	4,716	4,674
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**RYAN LEATHERS LIMITED**

**NOTES ON THE FINANCIAL STATEMENTS (continued)**

**4. TANGIBLE FIXED ASSETS**

	Equipment	Vehicles	Total
<b>Cost</b>			
At 1 January 2002	16,797	47,849	64,646
Disposals	=	<u>47,849</u>	<u>47,849</u>
At 31 December 2002	<u>16,797</u>	=	<u>16,797</u>
<b>Depreciation</b>			
At 1 January 2002	12,702	47,849	60,551
Charge for Year	<u>1,024</u>	=	<u>1,024</u>
	13,726	47,849	61,575
Disposals		<u>47,849</u>	<u>47,849</u>
At 31 December 2002	<u>13,726</u>	=	<u>13,726</u>
Net Book Value, 31 December 2001	4,095	-	4,095
Net Book Value, 31 December 2002	3,071	-	3,071

Included above are vehicles held under hire purchase agreements amounting to £nil (2001 -£6,212).

**5. DEBTORS - due within one year**

	2002	2001
Trade Debtors	182,930	175,361
Other Debtors	<u>25,789</u>	<u>25,789</u>
	<u>208,719</u>	<u>201,150</u>

**6. CREDITORS**-amounts falling due within one year

Trade Creditors	246,067	299,294
Corporation Tax	4,715	4,673
Other Taxation and Social Security	21,294	40,799
Net obligations under hire purchase agreements	944	1,042
Other creditors	<u>49,540</u>	<u>36,007</u>
	<u>322,560</u>	<u>381,815</u>

**RYAN LEATHERS LIMITED**

**NOTES ON THE FINANCIAL STATEMENTS (continued)**

<b>7. CALLED UP SHARE CAPITAL</b>	<b>2002</b>	<b>2001</b>
<b>AUTHORISED</b>		
1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>ISSUED AND FULLY PAID</b>		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

**8. CONTINGENCIES AND COMMITMENTS**

There are no contingent liabilities or capital commitments.

**9. OTHER COMMITMENTS**

At 31st December 2002 the company had commitments under non-cancellable operating leases for land and buildings with expiry in less than five years of £3,000. (2001 - £10,000).