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RYAN LEATHERS LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 2004

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 2004

The Directors present their Report together with the Financial Statements for year ended 31st December 2004.

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:

	Number of Shares	
	31/12/03	31/12/04
B.G. McInerney	1	1

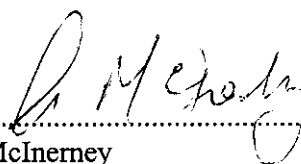
DIRECTORS' RESPONSIBILITIES - Company law requires the directors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the company for that period. In preparing those financial statements, the directors are required to:

- 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 1/10/05

SECRETARY

RYAN LEATHERS LIMITED**PROFIT AND LOSS ACCOUNT for the Year ended 31ST DECEMBER 2004**

	Note	2004	2003
TURNOVER		£576,176	£701,885
Cost of Sales		<u>464,330</u>	<u>574,832</u>
GROSS PROFIT		111,846	127,053
Administrative expenses		<u>93,771</u>	<u>116,060</u>
OPERATING PROFIT	2	18,075	10,993
Interest Receivable		<u>2,220</u>	<u>1,791</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20,295	12,784
Taxation on Profit on Ordinary Activities	3	<u>3,708</u>	<u>1,558</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		16,587	11,226
Dividend		<u>26,000</u>	<u>36,000</u>
Retained Profit for the Year		(9,413)	(24,774)
Retained Profit Brought Forward		<u>39,322</u>	<u>64,096</u>
RETAINED PROFIT CARRIED FORWARD		<u>£29,909</u>	<u>£39,322</u>

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

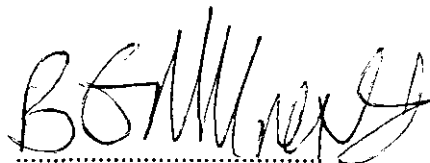
RYAN LEATHERS LIMITED**BALANCE SHEET AS AT 31ST DECEMBER 2004**

	Note	2004	2003
FIXED ASSETS			
Tangible Assets	4	£13,177	£6,431
CURRENT ASSETS			
Stocks		70,850	85,286
Debtors	5	107,533	157,820
Cash at Bank and in Hand		<u>120,851</u>	<u>152,231</u>
		299,234	395,337
CREDITORS -amounts falling due within one year	6	<u>278,360</u>	<u>362,444</u>
Net Current Assets		<u>20,874</u>	<u>32,893</u>
Total Assets less Current Liabilities		34,053	39,324
CREDITORS -amounts falling due after more than one year	7	<u>4,142</u>	-
		<u>£29,911</u>	<u>£39,324</u>
CAPITAL AND RESERVES			
Called up Share Capital	8	£2	£2
Profit and Loss Account		<u>29,909</u>	<u>39,322</u>
Shareholders' Funds		<u>£29,911</u>	<u>£39,324</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 7 October 2005 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. McNerney
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:

	2004	2003
Directors Emoluments	10,544	10,551
Operating lease rentals - Land & buildings	7,000	7,000
Depreciation-Tangible assets		
owned by the company	1,608	1,024
held under finance leases	2,785	-

3. TAXATION

Corporation Tax	3,708	1,558
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RYAN LEATHERS LIMITED

NOTES ON THE FINANCIAL STATEMENTS (continued)

4. TANGIBLE FIXED ASSETS

	Other Assets
Cost	
At 1 January 2004	21,181
Additions in Year	<u>11,139</u>
At 31 December 2004	<u>32,320</u>
Depreciation	
At 1 January 2004	14,750
Charge for Year	<u>4,393</u>
At 31 December 2004	<u>19,143</u>
Net Book Value, 31 December 2003	6,431
Net Book Value, 31 December 2004	13,177

5. DEBTORS - due within one year

	2004	2003
Trade Debtors	104,517	144,342
Other Debtors	<u>3,016</u>	<u>13,478</u>
	<u>107,533</u>	<u>157,820</u>

6. CREDITORS-amounts falling due within one year

Trade Creditors	252,277	283,168
Corporation Tax	3,708	1,499
Other Taxation and Social Security	16,733	2,143
Net obligations under hire purchase agreements	2,667	-
Other creditors	<u>2,975</u>	<u>75,634</u>
	<u>278,360</u>	<u>362,444</u>

7. CREDITORS-amounts falling due after more than one year

Net obligations under hire purchase agreements	4,142	-
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8. CALLED UP SHARE CAPITAL

AUTHORISED

1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
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ISSUED AND FULLY PAID

2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>
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RYAN LEATHERS LIMITED

NOTES ON THE FINANCIAL STATEMENTS (continued)

9. CONTINGENCIES AND COMMITMENTS

There are no contingent liabilities or capital commitments.

10. OTHER COMMITMENTS

At 31st December 2004 the company had commitments under non-cancellable operating leases for land and buildings with expiry in less than five years of £4,500. (2003 - £4,500).