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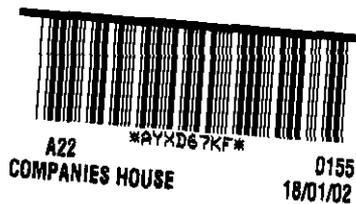
**BARON LEATHERS LIMITED**

**Financial Statements for the year ended 31 October 2001**

<b><u>Contents</u></b>	<b><u>Page</u></b>
Director's report	1
Accounting policies	2
Profit and loss account	3
Balance sheet	4
Notes	5-6
<u>For the information of the director only:</u>	
Detailed trading and profit and loss account	7

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<b>Director</b>	R J Campion
<b>Secretary</b>	Mrs M E Blackwell
<b>Registered Office</b>	c/o Ashford & Campion Ltd Westfields Terrace Higham Ferrers Northants NN10 8BB
<b>Registered Number</b>	1444150



# **BARON LEATHERS LIMITED**

## **Director's Report**

The director presents his report and financial statements for the year ended 31 October 2001.

### **Directors' Responsibilities**

Company law requires me as director to prepare financial statements for each financial year which comply with applicable accounting standards and 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 those financial statements I am required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

I am responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable me to ensure that the financial statements comply with the Companies Act 1985. I am 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.

### **Principal Activities**

The principal activity of the company throughout the year was the wholesaling of leather and safety wear.

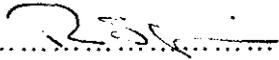
### **Directors**

The director has held office throughout the year and his interest in the ordinary shares in the company are shown below. Mrs E A Groom, holding no shares, retired 19 December 2000.

	<u>2001</u>	<u>2000</u>
R J Campion	4,497	4,497

The director has taken advantage, in the preparation of this report, of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

### **On behalf of the Board**

R J Campion.......... Date: 29 November 2001  
Director

# **BARON LEATHERS LIMITED**

## **Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the company.

### **Basis of preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and under the historical cost accounting rules.

### **Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

### **Fixed assets and depreciation**

Depreciation is calculated to write down the cost of all tangible fixed assets by the reducing balance method over their estimated useful economic lives.

The rates generally applicable are:

Motor vehicles	-	25%
Office equipment	-	15%
Plant and machinery	-	15%

### **Stock**

Stock is stated at the lower of cost and net realisable value.

### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

### **Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction except for monetary assets and liabilities in foreign currencies which are translated at the rates of exchange ruling at the balance sheet date.

### **Contributions to pension funds**

Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**BARON LEATHERS LIMITED**

**Profit and loss account for the year ended 31 October 2001**

	Notes	2001		2000	
		£	£	£	£
<b>Turnover</b>			521,506		97,662
Cost of sales			<u>495,068</u>		<u>77,871</u>
<b>Gross profit</b>			<b>26,438</b>		<b>19,791</b>
Distribution and selling costs		2,694		3,719	
Administrative expenses	1	<u>(359)</u>	<u>2,335</u>	<u>19,078</u>	<u>22,797</u>
<b>Operating profit/(loss)</b>			<b>24,103</b>		<b>(3,005)</b>
Interest receivable and similar income			<u>11,455</u>		<u>15,938</u>
<b>Profit on ordinary activities before taxation</b>			<b>35,558</b>		<b>12,933</b>
Tax on ordinary activities			<u>7,500</u>		<u>1,469</u>
<b>Profit retained for the year</b>			<b>28,058</b>		<b>11,464</b>
Retained profits at 1 November 2000			<u>410,234</u>		<u>609,770</u>
			438,292		621,234
Ordinary shares bought in			<u>-</u>		<u>211,000</u>
<b>Retained profits at 31 October 2001</b>			<b><u>438,292</u></b>		<b><u>410,234</u></b>

There were no recognised gains or losses other than the result for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

**BARON LEATHERS LIMITED**

**Balance sheet at 31 October 2001**

	Notes	2001		2000	
		£	£	£	£
<u>Fixed assets</u>					
Tangible	2		2,700		3,200
Investments	3		10,000		10,000
			<u>12,700</u>		<u>13,200</u>
<u>Current assets</u>					
Stocks		412		2,001	
Debtors	4	17,376		87,787	
Cash at bank and in hand		<u>439,614</u>		<u>341,551</u>	
		457,402		431,339	
<u>Creditors: amounts falling due within one year</u>	5	<u>21,810</u>		<u>24,305</u>	
Net current assets			435,592		407,034
<b>Total assets less current liabilities</b>			<b><u>448,292</u></b>		<b><u>410,234</u></b>
<u>Capital and reserves</u>					
Called up share capital	6		4,497		4,497
Capital redemption reserve			5,503		5,503
Profit and loss account			438,292		410,234
<b>Shareholders' funds</b>			<b><u>448,292</u></b>		<b><u>420,234</u></b>

Audit Exemption Statement

For the period ended 31 October 2001 the company was entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985. No notice has been deposited with the company under section 249B(2) of that Act requiring an audit to be carried out.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps accounting records which comply with section 221;
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the Companies Act relating to accounts, so far as applicable to the company;
- (iii) preparing the accounts in accordance with the special provision in Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board of Directors on 29 November 2001.

R J Campion  
Director



The accompanying accounting policies and notes form an integral part of these financial statements.

## BARON LEATHERS LIMITED

### Notes to the financial statements for the year ended 31 October 2001

<b>1. Administrative expenses</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
	<hr/>	<hr/>
Depreciation	500	4,700
Directors' emoluments	-	9,359
Other operating charges	(859)	5,019
	<hr/>	<hr/>
	<b>(359)</b>	<b>19,078</b>
	<hr/> <hr/>	<hr/> <hr/>
 <b>2. Tangible fixed assets</b>		
	<b>Total</b>	<b>Office</b>
	<b>£</b>	<b>Equipment</b>
	<hr/>	<hr/>
	<b>£</b>	<b>Plant &amp;</b>
	<hr/>	<b>Machinery</b>
	<hr/>	<hr/>
<u>Cost</u>		
At 1 November 2000	11,109	6,424
Additions	-	-
Disposals	-	-
At 31 October 2001	<hr/>	<hr/>
	<b>11,109</b>	<b>6,424</b>
	<hr/> <hr/>	<hr/> <hr/>
<u>Depreciation</u>		
At 1 November 2000	7,909	5,224
Provided in the year	500	200
Eliminated on disposals	-	-
At 31 October 2001	<hr/>	<hr/>
	<b>8,409</b>	<b>5,424</b>
	<hr/> <hr/>	<hr/> <hr/>
<u>Net book value</u>		
At 1 November 2000	<hr/>	<hr/>
	<b>3,200</b>	<b>1,200</b>
	<hr/> <hr/>	<hr/> <hr/>
At 31 October 2001	<hr/>	<hr/>
	<b>2,700</b>	<b>1,700</b>
	<hr/> <hr/>	<hr/> <hr/>
 <b>3. Fixed asset investments</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
	<hr/>	<hr/>
50% interest in the ordinary share capital of Sterling Safetywear Limited, a company registered in England, at cost.	10,000	10,000
	<hr/>	<hr/>
	<b>10,000</b>	<b>10,000</b>
	<hr/> <hr/>	<hr/> <hr/>
 <b>4. Debtors</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
	<hr/>	<hr/>
Trade debtors	7,268	11,066
Loan to Sterling Safetywear Ltd	10,000	76,644
Prepayments and accrued income	108	77
	<hr/>	<hr/>
	<b>17,376</b>	<b>87,787</b>
	<hr/> <hr/>	<hr/> <hr/>

## BARON LEATHERS LIMITED

### Notes to the financial statements for the year ended 31 October 2001 contd.

#### 5. Creditors: amounts falling due within one year

	2001	2000
	£	£
Trade creditors	12,855	-
Corporation tax	7,658	2,500
Social Security and other taxes	457	1,005
Other creditors	-	20,000
Accruals and deferred income	840	800
	<u>21,810</u>	<u>24,305</u>

#### 6. Share capital

	2001	2000
	£	£
<u>Authorised:</u>		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<u>Allotted, called up and fully paid:</u>		
4,497 ordinary shares of £1 each	<u>4,497</u>	<u>4,497</u>

#### 7. Controlling Related Party

Mr R J Champion is this company's controlling related party by virtue of his office and his interest in the shares of the company.

#### 8. Transactions with related party

Sales to Sterling Safetywear Ltd during the year amounted to £511,000.

The company has provided an unlimited cross guarantee to its bankers for facilities provided to Sterling Safetywear Ltd.