

# **BARON LEATHERS LIMITED**

## **Financial Statements for the year ended 31 October 1999**

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<b>Directors</b>	B L Humphrey Mrs E A Groom R J Campion
<b>Secretary</b>	Mrs M E Blackwell
<b>Registered Office</b>	4 Lingfield Road Edenbridge Kent TN8 5DR
<b>Registered Number</b>	1444150
<b>Auditors</b>	RMH Kingswood, School Lane Denford Kettering Northants NN14 4PZ Telephone 01832 732909 Fax 01832 731957



# **BARON LEATHERS LIMITED**

## **Directors' Report**

The directors present their report and financial statements for the year ended 31 October 1999.

### **Directors' Responsibilities**

Company law requires us as directors 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 we are 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.

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

### **Year 2000**

We are responsible for ensuring the business will not be adversely affected by any failure of computer or other systems to cope with the year 2000. We are responsible for:

- Analysing the impact of the Year 2000 issue on the business.
- Developing plans to mitigate the effects identified by the analysis.
- Assessing the appropriateness of adopting the going concern basis in preparing the financial statements (and any disclosures needed to give a true and fair view).
- Considering any need for disclosures in the annual report.

# **BARON LEATHERS LIMITED**

## **Directors' Report contd.**

### **Principal Activities**

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


### **Directors**

All directors have held office throughout the year, and their interests in the ordinary shares in the company are shown below.

B L Humphrey	500
Mrs E A Groom	501
R J Campion	4,497

The directors have 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: 3 January 2000  
Director

# **BARON LEATHERS LIMITED**

## **Auditors' Report to the company's shareholders**

We have audited the financial statements on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention and the accounting policies set out on page 4.

### **Respective responsibilities of directors and auditors**

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, *and of whether the accounting policies are appropriate to the company's circumstances*, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 October 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**RMH**  
**Registered Auditors**  
**Chartered Accountants**

Dated: 3 January 2000

# **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 1999) 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.

### **Deferred taxation**

Deferred taxation is provided on the liability method to take account of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may 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 ending 31 October 1999**

		<b>1999</b>		<b>1998</b>	
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Turnover</b>			462,316		1,517,295
<b>Cost of sales</b>			<u>437,170</u>		<u>1,389,233</u>
<b>Gross profit</b>			<b>25,146</b>		<b>128,062</b>
Distribution and selling costs		14,280		27,072	
Administrative expenses	<b>1</b>	<u>49,280</u>	<u>63,560</u>	<u>66,506</u>	<u>93,578</u>
<b>Operating (loss)/profit</b>			<b>(38,414)</b>		<b>34,484</b>
Interest receivable			<u>17,554</u>		<u>8,769</u>
<b>(Loss)/profit on ordinary activities before taxation</b>			<b>(20,860)</b>		<b>43,253</b>
Tax on ordinary activities			<u>4,675</u>		<u>11,000</u>
<b>(Loss)/profit retained for the year</b>			<b>(16,185)</b>		<b>32,253</b>
Retained profits at 1 November 1998			<u>625,955</u>		<u>593,702</u>
<b>Retained profits at 31 October 1999</b>			<u><b>609,770</b></u>		<u><b>625,955</b></u>

There were no acquisitions or discontinued operations during the year, and the company had no recognised gains or losses other than the result for the financial year.

Notes 1 to 7 form part of these financial statements.

# **BARON LEATHERS LIMITED**

## **Balance sheet at 31 October 1999**

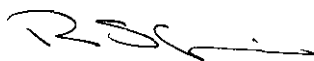
		1999		1998	
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Fixed assets</u>					
Tangible	2		11,900		15,600
Investments	3		10,000		10,000
			<u>21,900</u>		<u>25,600</u>
<u>Current assets</u>					
Stocks		4,140		35,678	
Debtors	4	207,305		349,350	
Investments - short term deposits		399,848		325,086	
Cash at bank and in hand		<u>14,666</u>		<u>6,455</u>	
		625,959		716,569	
<u>Creditors: amounts falling due within one year</u>	5	<u>28,089</u>		<u>106,214</u>	
Net current assets			597,870		610,355
<b>Total assets less current liabilities</b>			<b><u>619,770</u></b>		<b><u>635,955</u></b>
<u>Capital and reserves</u>					
Called up share capital	6		10,000		10,000
Profit and loss account			609,770		625,955
<b>Shareholders' funds</b>			<b><u>619,770</u></b>		<b><u>635,955</u></b>

### Exemption statement

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 1999) relating to small companies.

The financial statements were approved by the Board of Directors on 3 January 2000.

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 1999**

1. Administrative expenses	1999	1998		
	£	£		
Depreciation	3,700	4,957		
Auditors' remuneration	1,000	1,000		
Directors' emoluments	25,341	33,361		
Contributions to directors' money purchase pension schemes	1,500	1,500		
Other operating charges	17,739	25,688		
	<u>49,280</u>	<u>66,506</u>		
2. Tangible fixed assets				
	Total	Motor	Office	Plant &
	£	vehicles	Equipment	Machinery
		£	£	£
<b>Cost</b>				
At 1 November 1998				
and 31 October 1999	<u>26,084</u>	<u>14,975</u>	<u>6,424</u>	<u>4,685</u>
<b>Depreciation</b>				
At 1 November 1998	10,484	3,975	4,624	1,885
Provided in the year	<u>3,700</u>	<u>3,000</u>	<u>300</u>	<u>400</u>
	<u>14,184</u>	<u>6,975</u>	<u>4,924</u>	<u>2,285</u>
<b>Net book value</b>				
At 31 October 1998	<u>15,600</u>	<u>11,000</u>	<u>1,800</u>	<u>2,800</u>
At 31 October 1999	<u>11,900</u>	<u>8,000</u>	<u>1,500</u>	<u>2,400</u>
3. Fixed asset investments	1999	1998		
	£	£		
50% interest in the ordinary share capital of Sterling Safetywear Limited, a company registered in England, at cost.	<u>10,000</u>	<u>10,000</u>		



## **BARON LEATHERS LIMITED**

### **Notes to the financial statements for the year ended 31 October 1999 (contd.)**

<b>4. Debtors</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Trade debtors	85,635	298,594
Other debtors	120,750	49,673
Prepayments and accrued income	920	1,083
	<u>207,305</u>	<u>349,350</u>

Other debtors includes £117,750 loan to Sterling Safetywear Limited (1998: £38,250 due in more than one year).

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

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Trade creditors	18,563	52,751
Corporation tax		11,534
Social security and other taxes	1,934	19,928
Other creditors	5,042	19,511
Accruals and deferred income	2,550	2,490
	<u>28,089</u>	<u>106,214</u>

### **6. Share capital**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Authorised, allotted, issued and fully paid 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

### **7. Controlling Related Parties**

The directors are this company's controlling related parties by virtue of their office and their interest in the shares of the company.