

Register

1063450

RISOL LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 1992

Charles Frieze & Co



CHARLES FRIEZE & CO
Chartered Accountants
Registered Auditors

RISOL LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 1992

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RISOL LIMITED

DIRECTORS

L BLACK Chairman
H H BLACK
K J BLACK
H KAHAN

SECRETARY

H WEISZ

REGISTERED OFFICE

RISOL HOUSE
THE APPROACH ROAD
TRAFFORD PARK
URMSTON
MANCHESTER
M31 2LT

AUDITORS

CHARLES FRIEZE & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
12 CHARLOTTE STREET
MANCHESTER
M1 4HP

BANKERS

MIDLAND BANK Plc
109 UNION STREET
OLDHAM
OL1 1RT

BANK HAPOALIM BM
7 CHARLOTTE STREET
MANCHESTER
M1

COMPANY NUMBER

1063450

RISOL LIMITED
REPORT OF THE DIRECTORS

The directors submit their Annual Report and Accounts of the Company for the year ended 31 January 1992.

RESULTS AND DIVIDENDS

The profit for the year after taxation and the appropriation thereof, are set out in the Profit and Loss Account on page 4. The directors do not propose that any dividends should be paid.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company has continued to trade as importers and wholesalers of outdoor and leisure clothing. In view of current trading conditions, the directors consider the results to be satisfactory.

DIRECTORS AND THEIR INTERESTS

The Directors in office at the date of this report, all of whom served throughout the year, are set out on page 1.

The interests of the Directors in the Share Capital of the Company as at 31 January 1992 and as at 1 February 1991 were as follows:-

	<u>Number of ordinary shares</u>			
	<u>31 January 1992</u>		<u>1 February 1991</u>	
	<u>Beneficial</u>	<u>Non-Beneficial</u>	<u>Beneficial</u>	<u>Non-Beneficial</u>
Mr L Black	18,258	89,760	21,777	89,760
Mrs H H Black	16,422	-	22,440	-
Mr K J Black	23,970	99,756	23,970	99,756
Mr H Kahan	-	-	-	-

FIXED ASSETS

The movements in fixed assets during the year are set out in note 10 to the accounts.

CHARITABLE AND POLITICAL DONATIONS

The company made covenanted and Gift Aid payments for charitable purposes during the year of £82,267 (1991 £16,531) and other charitable donations of £6,022 (1991 £2,597). The company made political donations during the year of £250 (1991 £nil).

AUDITORS

During the year Messrs Alexander Bursk resigned as auditors to the company and Messrs Charles Frieze & Co were appointed.

In accordance with Section 384 of the Companies Act 1985 a resolution for the re-appointment of Charles Frieze & Co as auditors to the company will be proposed at the Annual General Meeting.

By Order of the Board

Mr H Weisz
 Secretary

25 May 1992

Charles Frieze & Co

RISOL LIMITED
REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements on pages 4 to 15 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 January 1992, and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHARLES FRIEZE & CO
Chartered Accountants
Registered Auditors
12 Charlotte Street
Manchester
M1 4HP

26 May 1992

RI SOL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 1992

	<u>Note</u>	<u>1992</u>	<u>1991</u>
TURNOVER	3	18,595,757	14,610,580
COST OF SALES		12,755,166	10,028,915
GROSS PROFIT		5,840,591	4,581,665
Distribution costs	1,769,444	1,361,146	
Administrative expenses	2,386,647	1,833,863	
Other operating charges	264,981	256,680	
		4,421,072	3,451,689
OPERATING PROFIT	4	1,419,519	1,129,976
Other income	6	106,491	92,336
		1,526,010	1,222,312
Interest payable and similar charges	7	125,611	223,980
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,400,399	998,332
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	8	500,000	362,593
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		900,399	635,739
RETAINED PROFIT			
At 1 February 1991			
-as previously reported	5,042,092	4,374,932	
-prior year adjustment	9 -	31,421	
		5,042,092	4,406,353
RETAINED PROFIT			
At 31 January 1992		£ 5,942,491	£ 5,042,092

The notes on pages 7 to 15 form part of these accounts.

RISOL LIMITED
BALANCE SHEET
AS AT 31 JANUARY 1992

	<u>Note</u>	<u>1992</u>	<u>1991</u>
FIXED ASSETS			
Tangible assets	10	2,161,943	981,559
CURRENT ASSETS			
Stocks	11	4,600,259	3,354,581
Debtors	12	4,227,473	3,402,847
Cash at bank and in hand		14,196	253,968
		<u>8,841,928</u>	<u>7,011,396</u>
CREDITORS - amounts falling due within one year	13	3,689,361	2,700,799
NET CURRENT ASSETS		<u>5,152,567</u>	<u>4,310,597</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,314,510</u>	<u>5,292,156</u>
CREDITORS - amounts falling due after more than one year	14	68,681	71,054
		<u>£ 7,245,829</u>	<u>£ 5,221,102</u>
CAPITAL AND RESERVES			
Called up share capital	15	179,010	179,010
Revaluation reserve	16	1,124,328	-
Profit and loss account		5,942,491	5,042,092
		<u>£ 7,245,829</u>	<u>£ 5,221,102</u>

Mr L Black

Mr K J Black

Directors

Approved by the Board on 25 May 1992

The notes on pages 7 to 15 form part of these accounts.

RISOL LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 1992

	<u>Note</u>	<u>1992</u>	<u>1991</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	55,520	2,476,803
TAXATION			
Taxation paid		362,000	488,593
		<u>(306,480)</u>	<u>1,988,210</u>
CASH FLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	22,449	15,282	
Interest paid	(111,318)	(204,584)	
Management charges receivable	35,000	12,000	
Rent received	48,456	42,213	
Bad debts recovered	586	22,841	
Finance lease payments	(62,052)	(48,690)	
Rates rebate received	-	31,421	
		<u>(66,879)</u>	<u>(129,517)</u>
		<u>(373,359)</u>	<u>1,858,693</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds on disposal of fixed assets	22,819	184,255	
Payments to acquire fixed assets	(270,927)	(312,270)	
		<u>(248,108)</u>	<u>(128,015)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	18	£ (621,467)	£1,730,678

Charles Frieze & Co

The notes on pages 7 to 15 form part of these accounts.

RISOL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 1992

1. ACCOUNTING POLICIES

The accounts have been based on the following accounting policies, which, except where otherwise stated, are consistent with the previous year.

1.1 Basis of Accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in compliance with statements of Standard Accounting Practice.

1.2 Depreciation

Depreciation is provided on the cost of tangible fixed assets in order to write off such cost after taking account of scrap values, over the expected useful lives as follows :-

Building	2% per annum on cost
Motor Vehicles	25% per annum on written down value
Plant & Machinery	20% per annum on cost
Office Fixtures and Fittings	20% per annum on cost
Computer	33 1/3% per annum on cost
Leased Computer	20% per annum on cost

In the year of purchase, depreciation is provided on a proportional basis.

During the year the company changed the method of depreciation in respect of plant and machinery and leased computers from a charge on written down value to a charge on cost. The increase in the depreciation charge for the year as a result of this change in policy was £83,472.

1.3 Stocks

Stocks are valued at the lower of cost on a first in first out basis and net realisable value after making due allowance for any obsolete or slow moving items.

1.4 Deferred Taxation

Deferred taxation has only been provided for taxation liabilities, which under current legislation are not expected to be deferred for the foreseeable future. Where provision has been made, it has been made under the liability method for taxation deferred by :

The net book value of fixed assets on which taxation allowances are claimed exceeding their corresponding value for taxation purposes.

Other timing differences

The provision for deferred taxation has been calculated assuming a 33% rate of corporation tax for revenue items.

No provision is made for any taxation liability which may arise if any assets which have been revalued were disposed of at the amounts stated in the accounts.

RISOL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 1992

1. ACCOUNTING POLICIES (continued)

1.5 Foreign Currency Translation

Assets and liabilities expressed in foreign currencies are translated to sterling at the rates of exchange ruling at the end of this financial year. Where there are related or matching forward contracts in respect of trading transactions the rates of exchange used are those specified in these contracts.

1.6 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are invested and managed independently of the finances of the company. The pension cost charge represents contributions payable in the year.

2. COMPARATIVES

The comparative figures in these accounts have been restated to be comparable with the current year figures, which have been prepared in accordance with the accounting disclosures of other companies under common control.

3. TURNOVER

Turnover is the amount receivable in the ordinary course of business for goods supplied excluding value added tax. The turnover and pretax profit are attributable to the principal activity.

An analysis of turnover by geographical market is as follows :-

	<u>1992</u>	<u>1991</u>
United Kingdom	16,992,557	13,429,668
Europe and others	1,603,200	1,180,912
	<u>£ 18,595,757</u>	<u>£ 14,610,580</u>

4. OPERATING PROFIT

This is stated after charging (crediting):

	<u>1992</u>	<u>1991</u>
Depreciation of tangible fixed assets	264,150	150,344
Profit on sale of tangible fixed assets	(5,694)	38,678
Auditors remuneration	9,176	7,500
Staff costs (including directors remuneration) (see note 5)	2,240,342	1,773,545
	<u>£ 2,507,974</u>	<u>£ 1,970,067</u>

RISOL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 1992

5. EMPLOYEE INFORMATION

5.1 Staff costs:

	<u>1992</u>	<u>1991</u>
Wages and salaries	1,689,688	1,329,968
National insurance contributions	112,730	117,669
Pension costs	437,924	325,908
	<u>£ 2,240,342</u>	<u>£ 1,773,545</u>

5.2 The average weekly number of employees during the year was as follows:

	No.	No.
Office and management	28	35
Sales	21	10
Warehouse	42	33
	<u>91</u>	<u>78</u>

Staff costs include the following remuneration in respect of directors :-

For management service	716,511	517,171
Pension contributions	400,000	300,000
	<u>£ 1,116,511</u>	<u>£ 817,171</u>

Emoluments of the directors, excluding pension contributions, who served during the year.

Chairman	<u>£ 306,000</u>	<u>£ 216,000</u>
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Other directors in scale :

	No.	No.
£35,001 - £40,000	-	1
£60,001 - £65,000	-	1
£70,001 - £75,000	1	-
£135,001 - £140,000	1	-
£195,001 - £200,000	<u>1</u>	<u>1</u>

RISOL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 1992

6. OTHER INCOME	<u>1992</u>	<u>1991</u>
Interest receivable	22,449	15,282
Doubtful debts recovered	586	22,841
Management charge	35,000	12,000
Rent receivable	48,456	42,213
	<u>£ 106,491</u>	<u>£ 92,336</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES	<u>1992</u>	<u>1991</u>
Interest on bank loans and overdrafts and on loans repayable wholly within five years	125,452	223,980
Other interest	159	-
	<u>£125,611</u>	<u>£223,980</u>

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>1992</u>	<u>1991</u>
In respect of the year :-		
Corporation tax @ 33% (1991 34%)	500,000	362,000
In respect of prior years :-		
Under provision of taxation	-	593
	<u>£ 500,000</u>	<u>£ 362,593</u>

9. PRIOR YEAR ADJUSTMENT

The adjustment made in 1991 relates to a rates refund in respect of the period from 1983 to 1988.

RISOL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 1992

10. TANGIBLE FIXED ASSETS

	<u>Freehold Land and Buildings</u>	<u>Motor vehicles</u>	<u>Plant equipment & fitting</u>	<u>Computer</u>	<u>Total</u>
<u>Cost or valuation</u>					
At 1 February 1991	434,448	269,266	524,176	294,017	1,521,907
Additions	45,211	59,533	88,653	156,508	349,905
Surplus on revaluation	1,070,341	-	-	-	1,070,341
Disposals	-	(44,977)	(3,812)	(30,212)	(79,001)
At 31 January 1992	<u>£1,550,000</u>	<u>£283,822</u>	<u>£609,017</u>	<u>£420,313</u>	<u>£2,863,152</u>
<u>Depreciation</u>					
At 1 February 1991	44,802	104,934	256,363	134,249	540,348
Charge for year	9,185	42,954	128,229	83,782	264,150
Disposals	-	(32,741)	(2,462)	(14,099)	(49,302)
Adjustment for revaluation	(53,987)	-	-	-	(53,987)
At 31 January 1992	<u>£ -</u>	<u>£115,147</u>	<u>£382,130</u>	<u>£203,932</u>	<u>£ 701,209</u>
<u>Net book value</u>					
At 31 January 1992	<u>1,550,000</u>	<u>168,675</u>	<u>226,887</u>	<u>216,381</u>	<u>2,161,943</u>
At 1 February 1991	<u>£ 389,646</u>	<u>£164,332</u>	<u>£267,813</u>	<u>£159,768</u>	<u>£ 981,559</u>

The net book value of tangible fixed assets includes £114,337 (1991 £104,078) in respect of assets held under finance leases. Depreciation charged in the year on these assets amounted to £52,616 (1991 £32,867).

The freehold property was revalued during the year by Chartered Surveyors on the basis of the continuation of the existing use.

If the freehold property had not been revalued, the corresponding amounts would have been :-

	<u>1992</u>	<u>1991</u>
Cost	£479,659	£ 434,448
Depreciation	£ 53,987	£ 44,802
Net Book Value	<u>£425,672</u>	<u>£ 389,646</u>

If the freehold land and buildings were sold at their current valuation, the resultant tax liability is estimated not to exceed £278,000 (1991 £nil).

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RISOL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 1992

11. STOCKS

	<u>1992</u>	<u>1991</u>
Finished goods	<u>£4,600,259</u>	<u>£3,354,581</u>

12. DEBTORS

	<u>1992</u>	<u>1991</u>
<u>Amounts falling due within one year</u>		
Trade debtors	3,836,029	3,173,676
Other debtors	241,416	144,017
Prepayments and accrued income	150,028	85,154
	<u>£4,227,473</u>	<u>£3,402,847</u>

Included in other debtors is an amount of £135,000 loaned to a company which has since gone into liquidation. This loan has been personally guaranteed by a director of that company.

13. CREDITORS

	<u>Note</u>	<u>1992</u>	<u>1991</u>
<u>Amounts falling due within one year</u>			
Bank loans and overdraft		381,695	-
Finance lease contracts	14.1	61,173	37,591
Trade creditors		470,783	570,127
Amounts due to related companies		1,382,522	1,084,690
Corporation tax		500,000	361,999
Other taxes and social security costs		429,831	230,738
Other creditors		3,254	2,793
Accruals and deferred income		460,103	412,861
		<u>£3,689,361</u>	<u>£2,700,799</u>

RISOL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 1992

14. CREDITORS	<u>Note</u>	<u>1992</u>	<u>1991</u>
<u>Amounts falling due after more than one year</u>			
Finance lease contracts	14.1	<u>£ 68,681</u>	<u>£ 71,054</u>

14.1 Obligations under finance lease contracts are :-

	<u>1992</u>	<u>1991</u>
Year ending 31 January 1992	-	50,160
Year ending 31 January 1993	74,834	50,160
Year ending 31 January 1994	74,834	50,160
	<u>149,668</u>	<u>150,480</u>
Less finance charges allocated to future periods	19,814	41,835
	<u>£129,854</u>	<u>£108,645</u>
Shown as :-		
Falling due within one year	61,173	37,591
Falling due after more than one year	68,681	71,054
	<u>£129,854</u>	<u>£108,645</u>

15. SHARE CAPITAL	<u>Number authorised</u>		<u>Allotted, issued and fully paid</u>	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
Ordinary shares of £1 each	24,500	24,500	3,510	3,510
Deferred ordinary shares of £1 each	175,500	175,500	175,500	175,500
	<u>200,000</u>	<u>200,000</u>	<u>£179,010</u>	<u>£179,010</u>

16. REVALUATION RESERVE	<u>1992</u>	<u>1991</u>
At 1 February 1991	-	-
Revaluation in the year	1,124,328	-
At 31 January 1992	<u>£1,124,328</u>	<u>£ -</u>

KISOL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 1992

17. NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1992</u>	<u>1991</u>
Operating profit	1,419,519	1,129,976
Depreciation	264,150	150,344
Profit on sale of fixed assets	(5,694)	38,678
	<u>£ 1,677,975</u>	<u>£1,318,998</u>
Increase in stock	(1,245,678)	2,193,427
Increase in debtors	(824,626)	(756,885)
Increase in creditors	447,849	(278,737)
	<u>£(1,622,455)</u>	<u>£1,178,005</u>
Net cash inflow from operating activities	<u>£ 55,520</u>	<u>£2,476,803</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<u>1992</u>	<u>1991</u>	<u>Change in the year</u>
Cash at bank and in hand	14,196	253,968	(239,772)
Bank loans and overdrafts	(381,695)	-	(381,695)
	<u>£(367,499)</u>	<u>£(253,968)</u>	<u>£(521,467)</u>

19. PENSION COMMITMENTS

The company has a fully insured pension scheme for its present directors and employees. Premiums paid into this scheme amount to :-

	<u>1992</u>	<u>1991</u>
Present directors	400,000	300,000
Employees	37,924	25,908
	<u>£437,924</u>	<u>£ 325,908</u>

RISOL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 1992

20. CAPITAL COMMITMENTS

At 31 January 1992 the directors have authorised future capital expenditure which amounts to :-

	<u>1992</u>	<u>1991</u>
Contracted	£ -	£10,000

21. CONTINGENT LIABILITIES

Provision has not been made in the accounts for the following contingent liabilities :-

	<u>1992</u>	<u>1991</u>
Documentary Credits	5,681,322	3,343,854
Indemnities to HM Customs and Excise	500,000	250,000
Acceptances	-	455,426
Forward Exchange Contracts	2,367,896	1,707,749
	<u>£8,549,218</u>	<u>£5,757,029</u>

The company has given unlimited guarantees to the CL Bank Nederland and Bank Hapoalim BM in respect of facilities granted to companies under common control. At 31 January 1992 the total indebtedness of those companies to their respective bankers was £155,934 (1991 £198,360) and their contingent liabilities in respect of the type of facilities set out in this note amounted to £2,931,185 (1991 £2,725,592).

22. COMPANY STATUS

In the opinion of the directors the company is a close company within the provisions of the Income and Corporation Taxes Act 1988.