

LEGSUN LIMITED

ABBREVIATED STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 28 FEBRUARY 1997

COMPANY NO: 1104592

DENNIS FREEDMAN CLAYTON & CO

Chartered Accountants



AUDITORS REPORT TO LEGSUN LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated Accounts on pages 3 to 7 together with the full financial statements of LEGSUN LIMITED prepared under section 226 of the Companies Act 1985 for the year ended 28 February 1997.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared for those financial statements. The scope of our work for this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part 111 of Schedule 8 to that Act, in respect of the year ended 28 February 1997 and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On **28 JUL 1997**....., we reported, as auditors of LEGSUN LIMITED, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 28 February 1997, and our audit report was as follows:

"We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies as set out on page 8.

AUDITORS REPORT TO LEGSUN LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

(Continued)

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to 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 and 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 other 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 as at 28 February 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

*Dennis Freedman Clayton & Co.*

Grove House

DENNIS, FREEDMAN, CLAYTON & CO.

3 Park Grove

Registered Auditors

Cardiff

Chartered Accountants

Date: 28 JUL 1997

LEGSUN LIMITED

BALANCE SHEET

AS AT 28 FEBRUARY 1997

		1997	1996
	Note	£	£
FIXED ASSETS			
Tangible assets	2	60,719	65,953
Investments	3	-	100
		<hr/>	<hr/>
		60,719	66,053
CURRENT ASSETS			
Stocks		306,963	340,037
Debtors		308,327	279,270
Cash at bank and in hand		70	36
		<hr/>	<hr/>
		615,360	619,343
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		441,726	455,642
		<hr/>	<hr/>
NET CURRENT ASSETS		173,634	163,701
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		234,353	229,754
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	4	10,576	14,321
		<hr/>	<hr/>
		£223,777	£215,433
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	8	99	99
Profit and loss account		223,678	215,334
		<hr/>	<hr/>
		£223,777	£215,433
		=====	=====

The Company has taken advantage of the exemptions conferred by Section A of Part 111 of Schedule 8 of the Companies Act 1985 as in the directors' opinion the Company is entitled to the exemptions as a small company under s246 and s247 of the Companies Act 1985.

Signed on behalf of the board of Directors on 28 JUL 1997

DIRECTOR.....

DIRECTOR.....

The notes on pages 4 to 7 form an integral part of these accounts.

## LEGSUN LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28 FEBRUARY 1997

#### 1 ACCOUNTING POLICIES

##### (a) Accounting Convention

The Accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

##### (b) Group Accounts

The Group qualifies as a small-sized group and is therefore able to take advantage of the exemptions conferred by the Companies Act 1985 not to prepare group accounts.

##### (c) Depreciation of Tangible Fixed Assets

Freehold land is not depreciated. The cost or valuation of other tangible fixed assets is written off by annual instalments over their expected useful lives as follows:

Freehold buildings	2% straight line basis
Fixtures, Fittings and Equipment	25% reducing balance
Motor Vehicles	25% reducing balance

##### (d) Turnover

Turnover comprises the invoice value of goods and services supplied by the company exclusive of VAT and trade discounts.

##### (e) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work-in-progress, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads.

##### (f) Deferred Taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, except where the tax reduction is expected to continue in the future.

##### (g) Pension Benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £13175 for the year (1996 £10640).

LEGSUN LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 1997

2 TANGIBLE FIXED ASSETS

		Land and buildings	Motor vehicles	Fixtures and fittings	Total
		£	£	£	£
Cost or valuation					
Brought forward	-	54,657	23,623	16,477	94,757
Disposals	-	-	(11,311)	-	(11,311)
		<hr/>	<hr/>	<hr/>	<hr/>
Carried forward	-	54,657	12,312	16,477	83,446
		=====	=====	=====	=====
Depreciation					
Brought forward	-	740	18,690	9,374	28,804
Provision for the year	-	740	739	1,776	3,255
Written off on disposals	-	-	(9,332)	-	(9,332)
		<hr/>	<hr/>	<hr/>	<hr/>
Carried forward	-	1,480	10,097	11,150	22,727
		=====	=====	=====	=====
Net book value					
This year	-	53,177	2,215	5,327	60,719
		=====	=====	=====	=====
Last year	-	53,917	4,933	7,103	65,953
		=====	=====	=====	=====
Land and buildings at net book value comprise:					
				1997	1996
				£	£
Freehold land				17,657	17,657
Freehold property				35,520	36,260
				<hr/>	<hr/>
				53,177	53,917
				=====	=====

LEGSUN LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 1997

3 INVESTMENTS

	1997 £	1996 £
Investment in subsidiary	-	100
	=====	=====

The investment represents a 100% holding in Legsun Industrial Limited, a company incorporated in Great Britain and consists of a holding of 100 Ordinary Shares.

During the year the shares were transferred to the directors for a Nil consideration as follows:

Mr D E Jenkins	50
Mr G Couch	50

4 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1997 £	1996 £
Bank loan 2-5 years	10,576	14,321
	-----	-----
	10,576	14,321
	=====	=====

The bank borrowings are secured by a legal charge over the assets of the company. Included in creditors due within one year are balances totalling £217,281 (1996-£90,853) which are secured under the same charge.

5 CAPITAL COMMITMENTS

As at the balance sheet date the company had agreed to purchase five of the vehicles currently on lease hire at the end of the contract agreements. The commitment is in the region of £23,000 but the final figure has yet to be agreed.

6 HOLDING COMPANY

The company is a subsidiary company of Ron Couch Limited, a company incorporated in Great Britain.

LEGSUN LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 1997

7 OPERATING LEASE COMMITMENTS

As at the balance sheet date the company was committed to making the following annual payments in respect of operating leases:

	Vehicle Hire £
1 year	17,280
2 - 5 years	6,964

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The company may be liable to an excess mileage charge for the vehicles under hire. This is however, charged at the end of the contract and we are unable to determine the likely charge at the present time.

8 SHARE CAPITAL

Authorised: 100 ordinary shares of £1 each

	1997 £	1996 £
Allotted and fully paid: Ordinary shares	99	99
	=====	=====