

Moore Large & Co. Limited
Report and Financial Statements
Year Ended
31 January 2001



MOORE LARGE & CO. LIMITED

Annual report and financial statements for the year ended 31 January 2001

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Directors

JAF Moore
R Young
NR Moore
TJ Moore
SJ Caunt
DJ Henstone

Secretary and registered office

TJ Moore, Grampian Buildings, Sinfin Lane, Derby, Derbyshire, DE24 9GL

Company number

1163012

Auditor

Blueprint Audit Limited, Foxhall Lodge, Gregory Boulevard, Nottingham, NG7 6LH

Bankers

HSBC Bank Plc, PO Box 68, 130 New Street, Birmingham, B2 4JU

MOORE LARGE & CO. LIMITED

Report of the directors for the year ended 31 January 2001

The directors present their report together with the audited financial statements for the year ended 31 January 2001.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend the payment of a dividend.

Principal activity, trading review and future developments

The company's principal activity remains that of being manufacturers of bicycles and importers of bicycles, accessories, spares and motor scooters.

The directors are satisfied with the year under review and are confident of future prospects.

Directors

No director had any interest in the ordinary share capital of the company.

JAF Moore, NR Moore, TJ Moore and SJ Caunt are also directors of the ultimate parent company, JH Moore & Son (Rickmansworth) Limited, and their interests in the share capital of that company are shown in that company's financial statements.

EMU Impact

The company is managing the impact of the single currency.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MOORE LARGE & CO. LIMITED

Report of the directors for the year ended 31 January 2001 (Continued)

Auditor

The auditors, BDO Stoy Hayward Nottingham office, have transferred their audit business to Blueprint Audit Limited. In accordance with section 26 of the Companies Act 1989, Blueprint Audit Limited have been appointed as auditors to succeed Nunn Hayward, and will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

On behalf of the Board

NR Moore
Director

A handwritten signature in dark ink, appearing to read 'NR Moore', is written over the printed name and title.

28 January 2002

Independent auditor's report to the shareholders of Moore Large & Co. Limited

We have audited the financial statements of Moore Large & Co. Limited for the year ended 31 January 2001 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 consider 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 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 31 January 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Blueprint Audit Limited

Blueprint Audit Limited

Chartered Accountants and Registered Auditors
Nottingham

29 January 2002

MOORE LARGE & CO. LIMITED**Profit and loss account for the year ended 31 January 2001**

	Note	2001 £	2000 £
Turnover	2	34,645,955	33,030,239
Cost of sales		(28,361,801)	(27,031,216)
Gross profit		<u>6,284,154</u>	<u>5,999,023</u>
Distribution costs		(1,409,568)	(1,078,955)
Administrative expenses		(4,037,284)	(3,884,371)
Other operating income		170,406	188,527
Operating profit	5	<u>1,007,708</u>	<u>1,224,224</u>
Interest receivable		13,638	13,573
Interest payable	6	(580,277)	(451,774)
Profit on ordinary activities before taxation		<u>441,069</u>	<u>786,023</u>
Taxation on profit on ordinary activities	7	(176,633)	(245,918)
Retained profit for the year	16	<u>264,436</u>	<u>540,105</u>

All amounts relate to continuing activities.

The notes on pages 7 to 16 form part of these financial statements.

MOORE LARGE & CO. LIMITED**Statement of total recognised gains and losses, note of historical cost profit and losses and reconciliation of movements in shareholders' funds for the year ended 31 January 2001**

	2001 £	2000 £
Statement of total recognised gains and losses		
Profit for the year	264,436	540,105
Unrealised surplus on revaluation of properties	-	541,636
Total recognised gains for the year	<u>264,436</u>	<u>1,081,741</u>
Note of historical cost profits and losses		
Reported profit on ordinary activities before taxation	441,069	786,023
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	2,609	2,609
Historical cost profit on ordinary activities before taxation	<u>443,678</u>	<u>788,632</u>
Historical cost profit for the year retained after taxation and dividends	<u>267,045</u>	<u>542,714</u>
Reconciliation of movements in shareholders' funds		
Profit for the year	264,436	540,105
Other recognised gains and losses	-	541,636
Net addition to shareholders' funds	<u>264,436</u>	<u>1,081,741</u>
Opening shareholders' funds	5,857,124	4,775,383
Closing shareholders' funds	<u>6,121,560</u>	<u>5,857,124</u>

The notes on pages 7 to 16 form part of these financial statements.

MOORE LARGE & CO. LIMITED

Balance sheet at 31 January 2001

	Note	2001	2000
		£	£
Fixed assets			
Tangible assets	8	4,382,968	4,476,669
Investments	9	269,701	243,601
		<u>4,652,669</u>	<u>4,720,270</u>
Current assets			
Stocks	10	8,014,639	6,891,339
Debtors	11	5,093,532	4,592,645
Cash at bank and in hand		2,170,899	99,773
		<u>15,279,070</u>	<u>11,583,757</u>
Creditors: amounts falling due within one year	12	(10,537,725)	(7,021,132)
Net current assets		<u>4,741,345</u>	<u>4,562,625</u>
Total assets less current liabilities		<u>9,394,014</u>	<u>9,282,895</u>
Creditors: amounts falling due after more than one year	13	(3,272,454)	(3,425,771)
Net assets		<u>6,121,560</u>	<u>5,857,124</u>
Capital and reserves - equity			
Called up share capital	15	20,000	20,000
Capital redemption reserve	16	400	400
Revaluation reserve	16	539,027	541,636
Profit and loss account	16	5,562,133	5,295,088
Shareholder's funds		<u>6,121,560</u>	<u>5,857,124</u>

The financial statements were approved by the Board on 28 January 2002.

JAF Moore
Director



The notes on pages 7 to 16 form part of these financial statements.

MOORE LARGE & CO. LIMITED

Notes forming part of the financial statements for the year ended 31 January 2001

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and are in accordance with applicable accounting standards.

The company is exempt under s228 of Companies Act 1985, from preparing consolidated financial statements on the grounds that it is a wholly owned subsidiary of an EU parent and group financial statements are publicly available.

The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	- 2% per annum
Short leasehold buildings	- over the period of the lease
Plant and equipment	- 25% per annum
Computer equipment	- 25% per annum
Motor vehicles	- 25% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability will crystallise.

Leased assets

All leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable, whilst those to the company's defined benefit scheme are charged to the profit and loss account using the actuarial valuation.

MOORE LARGE & CO. LIMITED

Notes forming part of the financial statements for the year ended 31 January 2001 (*Continued*)

1 Accounting policies (*Continued*)

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and can be analysed by geographical market as follows:

	2001 £	2000 £
United Kingdom	33,937,740	32,463,234
Other EC countries	563,535	565,790
Other countries	144,680	1,215
	<u>34,645,955</u>	<u>33,030,239</u>

3 Employees

Staff costs consist of:

	£	£
Wages and salaries	2,620,874	2,321,927
Social security costs	188,311	147,552
Other pension costs	152,667	154,994
	<u>2,961,852</u>	<u>2,624,473</u>

The average monthly number of employees, including directors, during the year can be analysed as follows:

	Number	Number
Management and administration	32	30
Selling and distribution	84	70
Production	46	25
	<u>162</u>	<u>125</u>

MOORE LARGE & CO. LIMITEDNotes forming part of the financial statements for the year ended 31 January 2001 (*Continued*)**4 Directors**

	2001 £	2000 £
Directors' emoluments consist of:		
Remuneration for management services	385,177	352,393
Pension contributions	134,200	135,230
	<u>519,377</u>	<u>487,623</u>

Emoluments (excluding pension contributions) of:

Highest paid director	<u>71,190</u>	<u>63,300</u>
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Five directors (2000:five) accrued benefits under defined contribution pension schemes, whilst three (2000:three) accrued benefits under defined benefit pension schemes.

5 Operating profit

	2001 £	2000 £
This has been arrived at after charging/(crediting):		
Depreciation - owned assets	253,655	237,235
- assets held under hire purchase contracts	-	1,847
Hire of other assets - operating leases	70,297	124,366
Rent receivable	(166,645)	(175,440)
Auditor's remuneration - audit services	20,000	20,400
- non audit services	7,045	10,000
	<u></u>	<u></u>

6 Interest payable

	£	£
On bank loans and overdrafts	449,905	292,511
Other loans	130,372	158,061
Hire purchase interest	-	1,202
	<u>580,277</u>	<u>451,774</u>

7 Taxation on profit on ordinary activities

UK corporation tax	160,000	240,000
Under provision in respect of prior year	16,633	5,918
	<u>176,633</u>	<u>245,918</u>

MOORE LARGE & CO. LIMITED

Notes forming part of the financial statements for the year ended 31 January 2001 (*Continued*)

8 Tangible assets

	Freehold land and buildings £	Short leasehold buildings £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £
<i>Cost or valuation</i>						
At 1 February 2000	3,922,617	7,995	1,519,433	113,945	310,183	5,874,173
Additions	-	-	113,886	-	62,209	176,095
Disposal	-	-	-	-	(116,844)	(116,844)
At 31 January 2001	<u>3,922,617</u>	<u>7,995</u>	<u>1,633,319</u>	<u>113,945</u>	<u>255,548</u>	<u>5,933,424</u>
<i>Depreciation</i>						
At 1 February 2000	57,793	4,713	1,117,860	43,289	173,849	1,397,504
Charge for the year	52,450	600	110,886	28,486	61,233	253,655
Eliminated on disposal	-	-	-	-	(100,703)	(100,703)
At 31 January 2001	<u>110,243</u>	<u>5,313</u>	<u>1,228,746</u>	<u>71,775</u>	<u>134,379</u>	<u>1,550,456</u>
<i>Net book value</i>						
At 31 January 2001	<u>3,812,374</u>	<u>2,682</u>	<u>404,573</u>	<u>42,170</u>	<u>121,169</u>	<u>4,382,968</u>
At 31 January 2000	<u>3,864,824</u>	<u>3,282</u>	<u>401,573</u>	<u>70,656</u>	<u>136,334</u>	<u>4,476,669</u>

Freehold land and buildings are stated at:

	2001 £	2000 £
Cost	597,617	597,617
Open market value - 19 October 1999	3,325,000	3,325,000
	<u>3,922,617</u>	<u>3,922,617</u>

The historical cost net book value of land and buildings is:

	£	£
Cost of Grampian Buildings and Wood Street	3,749,825	3,749,825
Accumulated depreciation based on historical cost	(502,513)	(453,518)
Historical cost net book value	<u>3,247,312</u>	<u>3,296,307</u>

Certain freehold properties were professionally revalued by DTZ Debenham Thorpe on 19 October 1999. The valuation was undertaken in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors.

MOORE LARGE & CO. LIMITED

Notes forming part of the financial statements for the year ended 31 January 2001 (Continued)

9 Investments

	£
Cost and net book value	
As at 1 February 2000	243,601
Purchase of shares in subsidiary undertaking in the year	26,100
As at 31 January 2001	<u>269,701</u>

At 31 January 2001, the company held the following investments:

Company	Class of share	Proportion held (%)	Principal activity
H & J Supplies Limited	Ordinary	100	Suppliers of cycle accessories and bicycles
Free Spirit Cycles Limited	Ordinary	93	Dormant

10 Stocks

	2001 £	2000 £
Raw materials and consumables	1,590,088	1,438,249
Finished goods and goods for resale	6,424,551	5,453,090
	<u>8,014,639</u>	<u>6,891,339</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

11 Debtors

Trade debtors	4,977,499	4,393,125
Amounts owed by subsidiary undertaking	82,343	86,189
Other debtors	13,508	20,455
Prepayments and accrued income	20,182	92,876
	<u>5,093,532</u>	<u>4,592,645</u>

All amounts shown under debtors fall due for payment within one year.

MOORE LARGE & CO. LIMITED

Notes forming part of the financial statements for the year ended 31 January 2001 (*Continued*)

12 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdraft (secured - see note 13)	2,250,688	1,549,572
Trade creditors	760,753	518,504
Bills of exchange payable	3,525,820	1,523,318
Amounts owed to group undertakings	1,434,905	1,130,500
Taxation and social security	516,845	96,376
Corporation tax	160,000	240,000
Accruals and deferred income	995,403	888,170
Other creditors	893,311	1,074,692
	<u>10,537,725</u>	<u>7,021,132</u>

13 Creditors: amounts falling due after more than one year

	£	£
Bank loans (secured - see below)	1,579,555	1,732,871
Amounts owed to group undertakings	1,692,899	1,692,900
	<u>3,272,454</u>	<u>3,425,771</u>

The repayment of bank loans fall due as follows:

	£	£
Within one year	144,000	102,040
Between one and two years	144,000	102,040
Between two and five years	432,000	306,120
After five years	1,003,555	1,324,711
	<u>1,723,555</u>	<u>1,834,911</u>

Security

The bank loans and overdraft amounting to £3,830,243 (2000:£3,282,443) are secured by the following:

- i) A debenture dated 27 September 1999.
- ii) A first legal charge dated 29 October 1999, over the freehold deeds of land and premises located in Derby.
- iii) A first legal charge dated 29 October 1999 over freehold land located in Manchester

Andrew S. H.

MOORE LARGE & CO. LIMITED

Notes forming part of the financial statements for the year ended 31 January 2001 (*Continued*)

13 Creditors: amounts falling due after more than one year (*Continued*)

iv) Guarantees dated 27 September 1999, from the following companies:

H & J Supplies Limited	(subsidiary undertaking)
JH Moore of Watford Limited	(parent undertaking)
JH Moore & Son (Rickmansworth) Limited	(ultimate parent undertaking)
Free Spirit Cycles Limited	(subsidiary undertaking)

v) A first legal charge dated 26 January 2000 over leasehold premises located in Gateshead.

vi) A first legal charge over freehold land located in Airdrie.

vii) A first legal charge over life assurance policies on the lives of N R Moore and S J Caunt.

14 Deferred taxation

No provision has been made in respect of the revaluation of the freehold properties, as the directors do not anticipate that they will be sold within the foreseeable future.

15 Share capital

	Authorised		Allotted, called up and fully paid	
	2001	2000	2001	2000
	£	£	£	£
'A' Ordinary shares of £1 each	5,000	5,000	5,000	5,000
'B' Ordinary shares of £1 each	20,000	20,000	15,000	15,000
	<u>25,000</u>	<u>25,000</u>	<u>20,000</u>	<u>20,000</u>

The 'A' ordinary shares carry no voting rights but rank *pari passu* in all other respects with the ordinary shares.

16 Reserves

	Capital redemption reserve	Revaluation reserve	Profit and loss account
	£	£	£
At 1 February 2000	400	541,636	5,295,088
Depreciation transfer	-	(2,609)	2,609
Profit for year	-	-	264,436
At 31 January 2001	<u>400</u>	<u>539,027</u>	<u>5,562,133</u>

MOORE LARGE & CO. LIMITED

Notes forming part of the financial statements for the year ended 31 January 2001 (*Continued*)

17 Pensions

The company operates two pension schemes, one being a defined contribution scheme and the other being a defined benefit scheme.

The contributions during the year were:

	2001 £	2000 £
Defined contribution scheme	32,667	34,994
Defined benefit scheme	120,000	120,000
	<u>152,667</u>	<u>154,994</u>

The assets of the defined contribution scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents any contributions payable by the company to the fund.

With respect to the defined benefit scheme, the following points apply:

- i) The scheme is funded, with assets being held externally to the company's business.
- ii) Contributions are paid in accordance with the actuarial valuation.
- iii) Contributions paid into the scheme for the year ended 31 January 2001 amounted to £120,000 (2000:£120,000) and were in accordance with the actuarial recommendations as at 1 November 1996.
- iv) An outline of the results of the actuarial valuation as at 1 November 1996 are detailed below:
 - a) The valuation method adopted is one known as the attained age method which aims to spread the cost of the liabilities for the existing membership over the working lifetime of the contributing membership in force at the valuation date.
 - b) The market value of the scheme assets at the date of their valuations was £1,684,000.
 - c) The actuarial valuation recommended an annual contribution of £120,000 commencing 1 November 1997.
 - d) The actuarial valuation identified an excess of liabilities over assets of £557,600.
 - e) There were no contributions due to the pension scheme or unpaid at the balance sheet date.

MOORE LARGE & CO. LIMITED

Notes forming part of the financial statements for the year ended 31 January 2001 (*Continued*)

18 Contingencies and commitments

(a) Contingencies

- i) In respect of the operating leases for land and buildings, the premises are occupied by a subsidiary undertaking, H & J Supplies Limited. The subsidiary undertaking pays the commitments under the operating leases but should a default arise, Moore Large & Company Limited would be liable.
- ii) There is a guarantee dated 12 October 1999 of £650,000 in favour of HM Customs & Excise Deferment Section.
- iii) There is a cross guarantee and debenture dated 27 September 1999 between Moore Large & Co. Limited, JH Moore of Watford Limited (the parent undertaking), H & J Supplies Limited, Free Spirit Cycles Limited (subsidiary undertakings) and JH Moore & Son (Rickmansworth) Limited (the ultimate parent undertaking).

(b) Forward Foreign Exchange contracts

At 31 January 2001, the total sterling value of outstanding forward foreign exchange contracts was £5,814,000 (2000:£910,747)

19 Commitments under operating leases

As at 31 January 2001, the company had annual commitments under non-cancellable operating leases as set out below:

	2001		2000	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	45,460	-	57,215
In two to five years	22,250	23,154	22,250	40,420
	<u>22,250</u>	<u>68,614</u>	<u>22,250</u>	<u>97,635</u>

20 Related party transactions

Mr JAF Moore is a director and shareholder of Eurobike plc registered in England. The company invoiced amounts totalling £13,395 (2000:£121,204) to Eurobike plc for goods sold during the year at cost and also purchased at cost goods totalling £17,560 (2000:£58,812) from Eurobike plc. Moore Large & Co. Limited also paid administrative costs on behalf of Eurobike plc during the year and recharged these at cost. At 31 January 2001 there was a balance of £117,109 (2000:£126,754) due to Eurobike plc.

The company was controlled throughout the current year by The Moore Family Settlement 1997 by virtue of its majority shareholding in the ultimate controlling party. Mr JAF Moore is a trustee of The Moore Family Settlement 1997.

MOORE LARGE & CO. LIMITED

Notes forming part of the financial statements for the year ended 31 January 2001 (*Continued*)

20 Related party transactions (*Continued*)

The directors consider the ultimate controlling party to be JH Moore & Son (Rickmansworth) Limited, which is registered in the UK. Copies of the consolidated financial statements of JH Moore & Son (Rickmansworth) Limited are available from Companies House.

Advantage has been taken of the exemption available under FRS8 "Related Party Transactions" not to disclose transactions with fellow group companies.