

Company Registration NO. 2645067

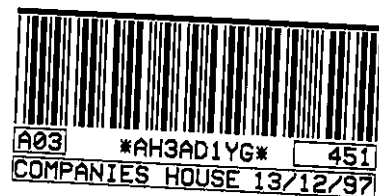
GOLDLINE (UK) LIMITED  
ABBREVIATED FINANCIAL STATEMENTS

AS AT

30th SEPTEMBER 1997

SUBMITTED Cos Hse  
12/12/97

ANTHONY COWEN  
CHARTERED ACCOUNTANTS  
2ND FLOOR STANMORE HOUSE,  
15/19 CHURCH ROAD,  
STANMORE,  
MIDDLESEX HA7 4AR  
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ANTHONY COWEN  
Chartered Accountants

GOLDLINE (UK) LIMITED

DIRECTOR

D J HARRIS

SECRETARY

L J HARRIS

AUDITORS

ANTHONY COWEN  
2ND FLOOR  
STANMORE HOUSE  
15/19 CHURCH ROAD  
STANMORE  
MIDDLESEX HA7 4AR

BANKERS

BARCLAYS BANK  
ST. GILES SQUARE  
NORTHAMPTON NN1

NATIONAL WESTMINSTER  
60 LICHFIELD STREET  
WOLVERHAMPTON WV1

REGISTERED OFFICE

19 YORK ROAD  
NORTHAMPTON  
NN1 5QG

COMPANY NUMBER

2645067

GOLDLINE (UK) LIMITED  
REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 30th SEPTEMBER 1997

The director presents his annual report together with the company's financial statements for the year ended 30th September 1997.

**PRINCIPAL ACTIVITIES**

The principal activity of the company continues to be that of importers of footwear.

**REVIEW OF THE BUSINESS**

The director is satisfied with the results for the year which were achieved in difficult market conditions and he is optimistic for the future.

The results for the year are set out on page 4.

**DIVIDENDS**

No dividends were paid or proposed.

**DIRECTORS AND THEIR INTERESTS**

The director who served during the year and his beneficial interest in the share capital of the company was as follows:-

	<u>£10 Ordinary Shares</u>	
	<u>30.9.97</u>	<u>30.9.96</u>
D J Harris	1	1

**FIXED ASSETS**

Movements in fixed assets are set in note 5 to these accounts.

GOLDLINE (UK) LIMITED  
REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 30th SEPTEMBER 1997

continued from page 1.

**DIRECTOR'S RESPONSIBILITIES**

Company law requires the director 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 director is required to;

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

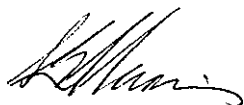
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

Messrs. Anthony Cowen have expressed their willingness to continue in office and offer themselves for reappointment as auditors in accordance with section 385, Companies Act 1985.

This report was approved by the board on 21 November 1997.

Signed on behalf of the director.



**L J HARRIS**  
**SECRETARY**

AUDITORS' REPORT TO  
GOLDLINE (UK) LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 11, together with the full statutory accounts of the company for the year ended 30th September 1997 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full statutory accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 11 are properly prepared in accordance with that provision.

*Anthony Cowen CA*

**Anthony Cowen**  
Registered Auditors and  
Chartered Accountants

2nd Floor, Stanmore House  
15/19 Church Road  
Stanmore  
Middlesex HA7 4AR

21 November 1997

**GOLDLINE (UK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30th SEPTEMBER 1997**

		<u>1997</u>	<u>1996</u>
	NOTES	£	£
<b>GROSS PROFIT</b>		986,733	1,203,462
Distribution Costs		(512,759)	(704,643)
Administrative Expenses		(406,842)	(363,381)
		-----	-----
<b>OPERATING PROFIT</b>	3	67,132	135,438
Other Income	9	14,386	52,926
Interest Payable to Parent Company		(24,375)	(19,500)
Hire Purchase Interest Payable		(2,810)	(2,184)
Loan Interest Payable		(6,507)	(1,500)
		-----	-----
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		47,826	165,180
Taxation	10	(7,452)	(56,147)
		-----	-----
<b>RETAINED PROFIT FOR THE YEAR</b>		40,374	109,033
<b>RETAINED PROFIT BROUGHT FORWARD</b>		382,161	273,128
		-----	-----
<b>RETAINED PROFIT CARRIED FORWARD</b>		£ 422,535	£ 382,161
		=====	=====

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than those included in the profit and loss account for the above two financial years.

The attached notes form part of these accounts.

5.

**GOLDLINE (UK) LIMITED**  
**BALANCE SHEET AS AT 30th SEPTEMBER 1997**

		<u>1997</u>	<u>1996</u>
	NOTES	£	£
<b>FIXED ASSETS</b>			
Tangible Assets	5	152,182	149,882
			-----
<b>CURRENT ASSETS</b>			
Stock	1	565,758	572,731
Debtors	6	781,579	947,268
Cash at Bank		508,029	475,030
		-----	-----
		1,855,366	1,995,029
			-----
<b>CREDITORS: Amounts falling due within one year</b>	7	(748,910)	(1,220,972)
		-----	-----
<b>NET CURRENT ASSETS</b>		1,106,456	774,057
		-----	-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,258,638	923,939
<b>CREDITORS: Amounts falling due after one year</b>	8	(836,003)	(541,678)
<b>NET ASSETS</b>		£ 422,635	£ 382,261
		=====	=====
<b>CAPITAL AND RESERVES</b>			
Called Up Share Capital	11	100	100
Profit and Loss Account		422,535	382,161
<b>SHAREHOLDERS' FUNDS (All equity interests)</b>	12	£ 422,635	£ 382,261
		=====	=====

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the board on 21 November 1997

  
**D HARRIS**  
**DIRECTOR**

The attached notes form part of these accounts.

**GOLDLINE (UK) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30th SEPTEMBER 1997**

	<u>1997</u>	<u>1996</u>
NOTES	£	£
<b>Reconciliation of operating profit to net cash flow from operating activities:-</b>		
Operating Profit	67,132	135,438
Depreciation	15,816	12,873
Loss on Sale of Assets	2,284	-
Commissions Receivable	-	37,640
Decrease/(Increase) in Stock	6,973	(188,593)
Decrease/(Increase) in Debtors	165,689	(11,674)
(Decrease)/Increase in Creditors	(427,537)	370,856
	-----	-----
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(169,643)</b>	<b>356,540</b>
	-----	-----

**CASH FLOW STATEMENT**

Net Cash Flow from Operating Activities	(169,643)	356,540
Returns on Investment and 17	(19,306)	(7,898)
Servicing of Finance		
Taxation Paid	(52,652)	(61,147)
Capital Expenditure 18	(20,400)	(129,457)
Parent Company Financing	295,000	75,000
Bank Loan Finance	-	76,838
	-----	-----
<b>INCREASE/(DECREASE) IN CASH 19</b>	<b>32,999</b>	<b>309,876</b>
	-----	-----

**Reconciliation of net cash flow to movement in net debt:- 19**

Increase/(Decrease) in Cash	32,999	309,876
Cash Inflow from Increase in Loan Debt	(295,000)	(151,838)
Net Cash Inflow from Hire Purchase Debt	(86)	(6,600)
Cash to Repay Bank Loan	1,438	-
	-----	-----
Change in Net Debt	(260,649)	151,438
Net Debt at beginning of Year	(80,540)	(231,978)
	-----	-----
Net Debt at end of Year	(341,189)	(80,540)
	-----	-----

The attached notes form part of these accounts.

GOLDLINE (UK) LIMITED  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER 1997

## 1. ACCOUNTING POLICIES

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and incorporate the results of the principal activity which is described in the director's report.

### TURNOVER

Turnover represents net invoiced sales excluding Value Added Tax and trade discounts.

### DEPRECIATION

Depreciation is provided at the following annual rates in order to write off each asset over its estimated economic useful life:

Freehold Buildings	- 2% Straight Line
Fixtures, Fittings and Equipment	- 20% Reducing Balance
Motor Vehicles	- 25% Reducing Balance

### STOCK

Stock of goods for resale is stated at the lower of cost, including duty & carriage, and net realisable value after making due allowance for slow moving items.

### HIRE PURCHASE

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods.

### DEFERRED TAXATION

No provision has been made for deferred taxation as in the opinion of the director there is a reasonable probability that no liability will arise in the foreseeable future.

### FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

## 2. TURNOVER

Not Disclosed.

**GOLDLINE (UK) LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER 1997**

<b>3. OPERATING PROFIT</b>	<u>1997</u>	<u>1996</u>
Stated after charging:-	£	£
Depreciation	15,816	12,873
(Gain)/Loss on Sale of Vehicle	2,284	-
Auditors' Remuneration	4,837	4,908
(Gain)/Loss on foreign exchange	(665)	(756)
Director's Emoluments (sole director)	51,420	52,286
Director's Pension	4,314	3,123
	=====	=====

Director's Emoluments do not include estimated cash value of benefits totalling £6,027. (1996: £5,714)

**4. STAFF COSTS (including director's remuneration)**

Wages & Salaries	193,122	160,632
Social Security Costs	19,989	16,752
Pension Costs	7,414	4,123
	-----	-----
	220,525	181,507
	=====	=====

The average weekly number of employees was eight. (1996 - seven).

**5. TANGIBLE FIXED ASSETS**

	MOTOR VEHICLES	OFFICE FURNISHINGS & EQUIPMENT	FREEHOLD PROPERTY	TOTAL
	£	£	£	£
Cost: 1.10.96	54,945	21,629	102,083	178,657
Additions in the Year	19,000	5,400	-	24,400
Disposals	(13,000)	-	-	(13,000)
	-----	-----	-----	-----
Cost: 30.9.97	60,945	27,029	102,083	190,057
	-----	-----	-----	-----
Depreciation: 1 10.96	20,807	7,630	338	28,775
Disposals	(6,716)	-	-	(6,716)
Charge in the Year	10,256	3,520	2,040	15,816
	-----	-----	-----	-----
Depreciation: 30.9.97	24,347	11,150	2,378	37,875
	-----	-----	-----	-----
Net Book Value: 30.9.97	36,598	15,879	99,705	152,182
	=====	=====	=====	=====
Net Book Value: 30.9.96	34,138	13,999	101,745	149,882
	=====	=====	=====	=====

Motor vehicles subject to Hire Purchase agreements:- at 30.9.97  
(Cost: £34,285; Depreciation: £9,536; NBV: £24,749)

**GOLDLINE (UK) LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER 1997**

	<u>1997</u>	<u>1996</u>
<b>6. DEBTORS</b>	£	£
Trade Debtors	558,974	903,256
Prepayments & Other Debtors	222,605	44,012
	-----	-----
	781,579	947,268
	=====	=====

**7. CREDITORS: Amounts falling due within one year**

Trade Creditors	419,581	745,565
Social Security & Other Taxes	42,894	101,668
Bank Loan (note)	3,800	3,800
Accruals	55,548	56,643
Other Creditors	206,872	247,204
Hire Purchase Creditors	9,415	10,092
Corporation Tax	10,800	56,000
	-----	-----
	748,910	1,220,972
	=====	=====

**8. CREDITORS: Amounts falling due after one year**

Parent Company Loan	754,910	459,910
Hire Purchase Creditors	9,493	8,730
Bank Loan (note)	71,600	73,038
	-----	-----
	836,003	541,678
	=====	=====

Note: The loan is secured by a legal charge over the freehold property together with a debenture held over the company's other assets.

The bank loan is repayable after more than five years.

Interest on the bank loan is calculated on a floating rate basis at a margin of 2.5% per annum above Base Rate. After 2 years the bank may vary the rate of interest charged.

**9. OTHER INCOME**

Bank interest receivable	14,386	15,286
Sales Commissions Receivable	-	37,640
	-----	-----
	14,386	52,926
	=====	=====

**GOLDLINE (UK) LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER 1997**

	<u>1997</u> £	<u>1996</u> £
--	------------------	------------------

**10. TAXATION**

Charge for the year provided at 21% (1996: 33% less marginal relief)	10,800	56,000
Over provision in the previous year	(3,348)	-
Under provision in the previous year	-	147
	-----	-----
	7,452	56,147
	=====	=====

**11. CALLED UP SHARE CAPITAL**Authorised:

Ordinary shares of £10 each	£ 100	£ 100
	===	===

Allotted, Called Up and Fully Paid:

Ordinary shares of £10 each	£ 100	£ 100
	===	===

**12. SHAREHOLDERS' FUNDS**

(Reconciliation of movements)

Profit for the year after taxation	40,374	109,033
Opening shareholders' funds	382,261	273,228
	-----	-----
Closing shareholders' funds	422,635	382,261
	=====	=====

**13. ULTIMATE HOLDING COMPANY**

The company's parent company is Pinpoint Investments Limited which is incorporated outside Great Britain.

**14. CAPITAL COMMITMENTS**

The company had not authorised or contracted for any capital expenditure at the Balance Sheet date.

**15. CONTINGENT LIABILITIES**

At the Balance Sheet date there was a contingency to purchase US Dollars with a sterling value of £186,340. (1996: £88,881).

**GOLDLINE (UK) LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER 1997**

**16. RELATED PARTY TRANSACTIONS**

The ultimate controlling party is Pinpoint Investments Limited.

During the year interest was paid to Pinpoint Investments Limited as disclosed in the Profit and Loss Account on page 4.

There were no transactions with D Harris, director.

**NOTES TO THE CASH FLOW STATEMENT:-**

	<u>1997</u>	<u>1996</u>
	£	£
<b>17. RETURNS ON INVESTMENT &amp; SERVICING OF FINANCE</b>		
Interest Received	14,386	15,286
Interest Paid	(33,692)	(23,184)
	-----	-----
	(19,306)	(7,898)
	=====	=====

**18. CAPITAL EXPENDITURE**

Purchase of Tangible Fixed Assets	(24,400)	(129,457)
Sale of Tangible Fixed Assets	4,000	-
	-----	-----
	(20,400)	(129,457)
	=====	=====

**19. ANALYSIS OF CHANGES IN NET DEBT**

	<u>AT</u>	<u>CASH</u>	<u>OTHER</u>	<u>AT</u>
	<u>1.10.96</u>	<u>FLows</u>	<u>CHANGES</u>	<u>30.9.97</u>
	£	£	£	£
Cash at Bank & in Hand	475,030	32,999		508,029
Debt Due Within 1 Year	(3,800)	-		(3,800)
Debt Due Greater 1 Year	(73,038)	1,438		(71,600)
Parent Company Finance	(459,910)	(295,000)		(754,910)
Hire Purchase Finance	(18,822)	12,549	(12,635)	(18,908)
	-----	-----	-----	-----
	(80,540)	(248,014)	(12,635)	(341,189)
	-----	-----	-----	-----

**20. MAJOR NON-CASH TRANSACTIONS**

During the year the company entered into Hire Purchase agreements in the sum of £12,635, in respect of assets with a total capital value of £14,500 at the inception of the lease.