

Peaco Trading Limited

Directors' report and financial statements

31 December 1997

Registered number 2712024



Peaco Trading Limited

Directors' report and financial statements

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Peaco Trading Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1997.

Principal activities

During the year the company did not trade.

Business review

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

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend, and propose that the retained profit of £4,220 be transferred to reserves.

Directors and directors' interests

The directors who held office during the year were as follows:

M R Peacock
I D Powell

On 13 January M R Peacock resigned and A C G Denton was appointed a director on 9 February 1998.

The directors who held office at the end of the financial year had no beneficial interests in the shares of the company.

The directors with interests in the share capital of the ultimate holding company are disclosed in the directors' report of that company.

Peaco Trading Limited

Directors' report

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



I D Powell
Director

Peaco House
Hyde
Cheshire



St James' Square
Manchester M2 6DS

Auditors' report to the members of Peaco Trading Limited

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

As described on page 2 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 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, 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 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 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

22 June 1998



Peaco Trading Limited

Profit and loss account for the year ended 31 December 1997

	Note	1997 £	1996 £
Turnover from discontinued activities		7,713	134,456
Cost of sales		(3,493)	(127,471)
		<hr/>	<hr/>
Gross profit		4,220	6,985
Administrative expenses		-	(37,175)
		<hr/>	<hr/>
Operating profit / (loss) from discontinued activities	2-4	4,220	(30,190)
Interest payable and similar charges		-	-
		<hr/>	<hr/>
Profit / (loss) on ordinary activities before taxation		4,220	(30,190)
Tax on ordinary activities	5	-	-
		<hr/>	<hr/>
Retained profit /(loss) for the financial year		4,220	(30,190)
		<hr/>	<hr/>

There is no difference between the profit on ordinary activities before taxation for the financial year presented above and the historical cost equivalent.

The company has no recognised gains or losses in either the current or preceding year other than those reported above and therefore no separate statement of total recognised gains and losses has been presented.

Peaco Trading Limited

Balance sheet
at 31 December 1997

	Note	1997 £	1996 £
Current assets			
Stocks	6	-	4,930
Debtors	7	-	37,223
Cash in hand		-	11,639
		<hr/>	<hr/>
		-	53,792
Creditors: amounts falling due within one year	8	(25,968)	(83,980)
		<hr/>	<hr/>
Net liabilities		(25,968)	(30,188)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account		(25,970)	(30,190)
		<hr/>	<hr/>
Equity shareholders' funds		(25,968)	(30,188)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on
were signed on its behalf by:

10 Jan 1998

and



I D Powell
Director

Peaco Trading Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company did not trade during the year.

Cashflow statement

The company is exempt from the requirements of Financial Reporting Standard No 1 to prepare a cashflow statement as it is a wholly owned subsidiary undertaking of Peaco Sport Limited and its cash flows are included within the consolidated cash flow statement of that company.

Related party transactions

The directors have taken advantage of the exemption in FRS8 paragraph 3(c) and have not disclosed related party transactions with parent and fellow subsidiary undertakings.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

2 Profit / (loss) on ordinary activities before taxation

	1997	1996
	£	£
<i>Profit / (loss) on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Management charges (see below)	-	37,175
	<hr/>	<hr/>

The management charge relates to administrative expenses which have been charged to Peaco Trading Limited from Ronhill Sport Limited.

All turnover and profit before taxation arose from the principal activity, and wholly within the United Kingdom.

Peaco Trading Limited

Notes (continued)

3 Remuneration of directors

The directors received no emoluments in the year (1996: £Nil).

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was Nil (1996: 2). They received payroll costs of £Nil (1996: £Nil).

5 Taxation

The tax charge for the current year is £Nil (1996: £Nil) due to tax losses incurred.

6 Stocks

	1997 £	1996 £
Finished goods	-	4,930
	<u> </u>	<u> </u>

7 Debtors

	1997 £	1996 £
Trade debtors	-	37,221
Other debtors	-	2
	<u> </u>	<u> </u>
	-	37,223
	<u> </u>	<u> </u>

All debtors fall due within one year.

8 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	-	373
Amounts owed to fellow subsidiary undertakings	25,968	83,607
	<u> </u>	<u> </u>
	25,968	83,980
	<u> </u>	<u> </u>

Peaco Trading Limited

Notes (continued)

9 Called up share capital

	1997 £	1996 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
<i>Allotted, called up, and fully paid</i>		
Ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

10 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit / (loss) for the year	4,220	(30,190)
	<u> </u>	<u> </u>
Net reduction in shareholders' funds	4,220	(30,190)
Opening shareholders' funds	(30,188)	2
	<u> </u>	<u> </u>
Closing shareholders' funds	(25,968)	(30,188)
	<u> </u>	<u> </u>

11 Contingent liabilities

The company has given a cross guarantee and cross debenture in favour of the group's bankers in respect of the overdraft provided to the group and its trading subsidiaries. The amount outstanding at the year end was £2,287,702.

12 Ultimate parent company

The company is a subsidiary undertaking of Peaco Sport Limited, incorporated in England and registered in England and Wales.

The consolidated financial statements of Peaco Sport Limited are available to the public and may be obtained from Companies House, Maindy, Cardiff.