

FC 14464

AUDITOR'S REPORT TO THE SHAREHOLDERS OF B.S. LEWIS LIMITED

I have audited the financial statements on pages 5 to 11, which have been prepared under the historical cost convention (as modified by the valuation of freehold premises) and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditor

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion based on my audit, on those statements and report my opinion to you.

Basis of Opinion

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 1990.


I have obtained all the information and explanations I consider necessary for the purpose of my audit. In my opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In my opinion the information given in the directors' report on page 3 is consistent with the financial statements.

In my opinion, there did not exist at 31st December 1996 a financial situation which, under Section 40 (1) of the Companies (Amendment) Act 1983, would require the convening of an extraordinary general meeting of the company.

68 Willow Park Crescent,
Dublin 11.

Date: 11th April 1997.


J.M. PATTISON, C.P.A.
REGISTERED AUDITOR.



A/I L/S

500320


B.S. LEWIS LIMITEDPROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1996

	<u>Notes</u>	<u>1996</u> <u>IR£</u>	<u>1995</u> <u>IR£</u>
Gross profit		294,785	280,818
Staff costs	2.	(83,381)	(77,318)
Depreciation		(2,539)	(4,638)
Other operating charges		(201,681)	(187,659)
Interest receivable		23	28
Interest payable and similar charges	3.	(8,447)	(12,956)
Profit (loss) on ordinary activities before taxation	4.	(1,240)	(1,725)
Taxation (charge) write-back	5.	(7)	(11)
Profit (loss) for the financial year		(1,247)	(1,736)
Retained profit at the beginning of the year		85,175	86,911
Retained profit at the end of the year		83,928	85,175

On behalf of the Board



 A.C. Lewis Director



 A.I. Lewis Director

B.S. LEWIS LIMITEDBALANCE SHEET AS AT 31ST DECEMBER 1996

		<u>1996</u>	<u>1995</u>
<u>FIXED ASSETS</u>	<u>Notes</u>	<u>IR£</u>	<u>IR£</u>
Tangible assets	6.	202,977	205,353
 <u>CURRENT ASSETS</u>			
Stocks	7.	204,460	224,603
Debtors	8.	229,454	248,820
Cash at bank and in hand		12,626	6,990
		446,540	480,413
<u>CREDITORS</u> - amounts falling due within one year	9.	(400,946)	(432,428)
<u>NET CURRENT ASSETS</u>		45,594	47,985
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		248,571	253,338
<u>CREDITORS</u> - amounts falling due after more than one year	9.	(24,000)	(27,520)
<u>NET ASSETS</u>		224,571	225,818
 <u>CAPITAL AND RESERVES</u>			
Called up share capital	10.	40,100	40,100
Revaluation reserve	11.	100,543	100,543
Profit and loss account		83,928	85,175
		224,571	225,818

On behalf of the Board



A.C. Lewis

Director



A.I. Lewis

Director

B.S. LEWIS LIMITED

Notes on and forming part of the accounts
for the year ended 31st December 1996

1. ACCOUNTING POLICIES

- A. Depreciation is calculated with reference to original cost to write off the assets at the following annual rates:-

Plant & Machinery	10%	Straight Line
Motor Vehicles	20%	Straight Line
Fixtures & Fittings	10%	Straight Line
Computer Equipment	20%	Straight Line

Freehold premises are not depreciated. This does not comply with Statement of Standard Accounting Practice No. 12.

- B. Stocks are valued at the lower of cost, on a first in, first out basis and net realisable value.
- C. The company provides for deferred taxation calculated on the liability method on timing differences.
- D. Assets and liabilities denominated in foreign currencies are translated into Irish pounds at the rates of exchange prevailing at the balance sheet date, except where covered by forward contracts.
- E. The pension obligations of the company are met by payments to a pension fund. Annual contributions to the fund are charged to the profit and loss account.

B.S. LEWIS LIMITED

Notes on and forming part of the accounts
for the year ended 31st December 1996

2. EMPLOYEES AND REMUNERATION

The average number of persons employed by the company in the financial year was 5 (1995 - 5), analysed into the following categories:

	<u>1996</u>	<u>1995</u>
Sales and administration	3	3
Warehousing and distribution	2	2
	<u>5</u>	<u>5</u>

The staff costs are comprised of:

	<u>1996</u>	<u>1995</u>
	<u>IR£</u>	<u>IR£</u>
Wages, salaries and benefits	74,150	68,143
Social welfare costs	2,379	2,322
Pension costs	6,852	6,853
	<u>83,381</u>	<u>77,318</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1996</u>	<u>1995</u>
	<u>IR£</u>	<u>IR£</u>
Interest payable on bank loans and overdrafts wholly repayable within five years	7,201	9,315
Interest payable on all other loans	1,246	3,623
Finance lease charges	-	18
	<u>8,447</u>	<u>12,956</u>

4. PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1996</u>	<u>1995</u>
	<u>IR£</u>	<u>IR£</u>
Profit (loss) on ordinary activities before taxation is stated after charging:		
Directors' remuneration		
Fees	22,400	26,000
Other emoluments including pension contributions	54,854	50,335
Auditor's remuneration	3,400	3,300

5. TAXATION

	<u>1996</u>	<u>1995</u>
	<u>IR£</u>	<u>IR£</u>
The charge to corporation tax based on profit (loss) on ordinary activities, reduced by losses forward	7	11
	<u>7</u>	<u>11</u>

B.S. LEWIS LIMITED

Notes on and forming part of the accounts
for the year ended 31st December 1996

6. TANGIBLE FIXED ASSETS

	<u>Freehold Premises</u>	<u>Plant & Machinery</u>	<u>Motor Vehicles</u>	<u>Fixtures & Fittings</u>	<u>Computer Equip.</u>	<u>Total</u>
	<u>IR£</u>	<u>IR£</u>	<u>IR£</u>	<u>IR£</u>	<u>IR£</u>	<u>IR£</u>
<u>COST OR VALUATION</u>						
Beginning of year	200,000	5,500	10,504	18,028	10,960	244,992
Additions	-	-	-	163	-	163
Disposals	-	-	-	-	-	-
End of year cost	-	5,500	10,504	18,191	10,960	45,155
Valuation 1990	200,000	-	-	-	-	200,000
End of year	200,000	5,500	10,504	18,191	10,960	245,155
<u>DEPRECIATION</u>						
Beginning of year	-	4,399	10,504	16,428	8,308	39,639
Charge for year	-	550	-	197	1,792	2,539
End of year	-	4,949	10,504	16,625	10,100	42,178
<u>NET BOOK VALUES</u>						
31/12/95	200,000	1,101	-	1,600	2,652	205,353
31/12/96	200,000	551	-	1,566	860	202,977

Freehold premises were valued on an open market basis by Druker Fanning & Partners, Estate Agents, Auctioneers and Valuers as at 14th September 1990.

Original cost of freehold premises was IR£99,457 in 1988.

B.S. LEWIS LIMITED

Notes on and forming part of the accounts
for the year ended 31st December 1996

7.	<u>STOCKS</u>	<u>1996</u>	<u>1995</u>
		<u>IR£</u>	<u>IR£</u>
	Stocks of goods for resale at the lower of cost on a first in, first out basis and net realisable value	204,460	224,603
		<hr/>	<hr/>
	The replacement cost of stocks did not differ significantly from the values in the accounts.		
8.	<u>DEBTORS</u>	<u>1996</u>	<u>1995</u>
		<u>IR£</u>	<u>IR£</u>
	Amounts falling due within one year		
	Trade debtors	220,377	235,959
	Director's loan (see below)	6,784	6,784
	Other debtors	-	450
	Prepayments	2,293	5,627
		<hr/>	<hr/>
		229,454	248,820
		<hr/>	<hr/>
	<u>Director's loan to A.I. Lewis</u>		
	At beginning of year (maximum amount due during year)	6,784	6,784
	At end of year	6,784	6,784
9.	<u>CREDITORS</u>	<u>1996</u>	<u>1995</u>
		<u>IR£</u>	<u>IR£</u>
	Amounts falling due within one year		
	Trade and other creditors	316,482	349,240
	Bank mortgage loan (Note 12)	4,087	5,400
	Bank overdraft (Note 12)	80,346	77,751
	Director's loans	31	37
		<hr/>	<hr/>
		400,946	432,428
		<hr/>	<hr/>
	Amounts falling due after more than one year:		
	Bank mortgage loan (Note 12)	24,000	27,520
		<hr/>	<hr/>
		24,000	27,520
		<hr/>	<hr/>

B.S. LEWIS LIMITED

Notes on and forming part of the accounts
for the year ended 31st December 1996

10.	<u>CALLED UP SHARE CAPITAL</u>	<u>1996</u>	<u>1995</u>
	<u>Authorised:</u>	<u>IR£</u>	<u>IR£</u>
	50,000 ordinary shares of IR£1 each	50,000	50,000
	<u>Allotted, called up & fully paid</u>		
	40,100 ordinary shares of IR£1 each	40,100	40,100
11.	<u>REVALUATION RESERVE</u>	<u>1996</u>	<u>1995</u>
		<u>IR£</u>	<u>IR£</u>
	The revaluation reserve represents the surplus, which arose on the revaluation of freehold premises	100,543	100,543
	No provision has been made for taxation, which might arise on disposal of freehold premises at valuation.		
12.	<u>BANK BORROWINGS</u>	<u>1996</u>	<u>1995</u>
	Analysis of borrowings included under creditors:	<u>IR£</u>	<u>IR£</u>
	Wholly repayable within five years	80,346	77,751
	Due wholly or in part by instalments after five years	28,087	32,920
	Total borrowings	108,433	110,671
	Included in creditors falling due within one year	84,433	83,151
	Included in creditors falling due after more than one year	24,000	27,520
	Aggregate of instalments falling due after more than five years	4,500	5,000

Borrowings are secured by a debenture over the assets of the company,
incorporating a fixed charge over the freehold premises.

13. PENSION COMMITMENTS

The company operates a pension scheme on a defined contributions basis,
within the meaning of the Pension Act 1990. All contributions due had
been paid at the year end.

B.S. LEWIS LIMITEDOPERATING STATEMENT FOR YEAR ENDED 31ST DECEMBER 1996

	<u>Appendices</u>	<u>1996</u> <u>IR£</u>	<u>1995</u> <u>IR£</u>
Sales		1,119,326	1,075,958
Cost of Sales	1.	<u>(851,288)</u>	<u>(823,518)</u>
		268,038	252,440
Agency commission		<u>26,747</u>	<u>28,378</u>
Gross profit		294,785	280,818
Expenses	2.	<u>(296,048)</u>	<u>(282,571)</u>
Net trading loss		(1,263)	(1,753)
Deposit interest		<u>23</u>	<u>28</u>
Loss on ordinary activities before taxation		<u>(1,240)</u>	<u>(1,725)</u>

B.S. LEWIS LIMITEDAPPENDIX 1 - COST OF SALES FOR THE YEAR ENDED 31ST DECEMBER 1996

	<u>1996</u>	<u>1995</u>
	<u>IR£</u>	<u>IR£</u>
Opening Stock	224,603	283,936
Purchases	787,344	717,030
Carriage In & Duty	43,801	47,155
	<hr/>	<hr/>
	1,055,748	1,048,121
Closing Stock	(204,460)	(224,603)
	<hr/>	<hr/>
	851,288	823,518
	<hr/>	<hr/>

B.S. LEWIS LIMITEDAPPENDIX 2 - EXPENSES FOR YEAR ENDED 31ST DECEMBER 1996

	<u>1996</u>		<u>1995</u>	
<u>ADMINISTRATION EXPENSES</u>	<u>IR£</u>	<u>IR£</u>	<u>IR£</u>	<u>IR£</u>
Directors' Salaries & Benefits	48,002		43,482	
Directors' Fees	22,400		26,000	
Salaries & Wages	28,527		26,983	
Telephone	7,018		6,419	
Postage	5,066		3,994	
Printing & Stationery	1,595		2,381	
General Expenses	11,945		12,954	
Auditor's Remuneration	3,400		3,300	
Travelling Expenses	11,292		16,041	
Pension Fund	6,852		6,853	
Data Processing Services	1,776		2,432	
Depreciation - Computer Equipment	<u>1,792</u>		<u>1,792</u>	
		149,665		152,631
<u>ESTABLISHMENT EXPENSES</u>				
Insurance	19,969		16,611	
Rent & Rates	9,254		9,244	
Light & Heat	2,533		2,531	
Repairs & Renewals	4,573		2,689	
Depreciation - Fixtures & Fittings	197		197	
Depreciation - Plant & Machinery	<u>550</u>		<u>549</u>	
		37,076		31,821
<u>SELLING EXPENSES</u>				
Commission	24,793		27,189	
Wrapping	217		286	
Motor Expenses	8,990		10,379	
Carriage & Freight	33,259		25,779	
Advertising & Sales Promotion	1,482		1,866	
Depreciation - Motor Vehicle	<u>-</u>		<u>2,100</u>	
		68,741		67,599
<u>FINANCIAL EXPENSES</u>				
Bank Interest & Charges	13,451		15,159	
Finance Lease Charges	-		18	
Discount Allowed	25,825		13,090	
Bad & Doubtful Debts (recovered)	<u>1,290</u>		<u>(2,188)</u>	
		40,566		26,079
Loss on Foreign Currency Exchange		-		<u>4,441</u>
		<u>296,048</u>		<u>282,571</u>

AUDITOR'S REPORT TO THE MEMBERS OF B.S. LEWIS LIMITED

I have audited the financial statement on page 2 in accordance with Auditing Standards.

In my opinion the financial statement gives a true and fair view of the loss attributable to the United Kingdom Branch of the company for the year ended 31st December 1996.

68 Willow Park Crescent,
Dublin 11.



J.M. PATTISON, F.A.P.A., A.I.T.I.
REGISTERED AUDITOR.

Date: 11th April 1997.

B.S. LEWIS LIMITEDUNITED KINGDOM BRANCHATTRIBUTABLE LOSS - YEAR ENDED 31ST DECEMBER 1996

	<u>£</u>
Sales	484,712
	<hr/>
Gross Profit	82,401
Direct United Kingdom Costs (Page 3)	(46,347)
Apportioned Irish Costs	(44,770)
	<hr/>
Net Loss	(8,716)
	<hr/>

A. I. Lewis

A.I. Lewis

Director

A. C. Lewis

A.C. Lewis

Director

Date: 11th April 1997.

B.S. LEWIS LIMITEDUNITED KINGDOM BRANCHDIRECT UNITED KINGDOM COSTS - YEAR ENDED 31ST DECEMBER 1996

	<u>£</u>
Carriage	13,686
Commission	9,777
Travelling expenses	7,688
Discount allowed	4,005
Bad & doubtful debts	932
Accountancy	808
Warehouse rent & rates	3,168
Insurance	5,398
Bank interest and charges	668
General expenses	217
	<hr/>
	46,347
	<hr/>