

**B. S. LEWIS LIMITED****Auditor's Report to the Shareholders of B.S. Lewis Limited**

I have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

**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 my responsibility to form an independent opinion, based on my audit, on those statements and to 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 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**

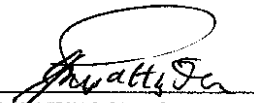
In my opinion the financial statements give a true and fair view of the state of the company's affairs as at the 31st December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Acts 1963 to 1990.

I have obtained all the information and explanations I consider necessary for the purposes 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 2 is consistent with the financial statements.

The net assets of the company, as stated in the Balance Sheet on page 5, are more than half of the amount of its called up share capital and, in my opinion, on that basis there did not exist at 31st December 1998 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.

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

Allied  
50 0708  
EIS-00.

Date : 23rd April 1999



**B. S. LEWIS LIMITED**

**Profit and Loss Account  
for the year ended 31st December 1998**

		1998	1997
	Notes	IR£	IR£
Turnover		1,130,416	1,182,214
Cost of sales		(802,331)	(856,603)
Gross profit		328,085	325,611
Administrative expenses		(307,451)	(311,698)
Operating profit	3	20,634	13,913
Interest receivable and similar income		5	2
Interest payable and similar charges	4	(11,582)	(9,769)
Profit on ordinary activities before taxation		9,057	4,146
Tax charge	5	(3,091)	(651)
Profit after taxation		5,966	3,495
Retained profit brought forward		87,423	83,928
Retained profit carried forward		93,389	87,423

On behalf of the Board

A.C. Lewis

*A.C. Lewis*

A.I. Lewis

*A.I. Lewis*

) Directors

)

**B. S. LEWIS LIMITED**

**Balance Sheet  
as at 31st December 1998**

	Notes	1998 IR£	IR£	1997 IR£	IR£
<b>Fixed Assets</b>					
Tangible assets	6		227,018		207,154
<b>Current Assets</b>					
Stocks		291,522		201,424	
Debtors	7	193,572		238,054	
Cash at bank and in hand		39,558		27,380	
		<u>524,652</u>		<u>466,858</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(489,681)</u>		<u>(423,466)</u>	
<b>Net Current Assets</b>			<u>34,971</u>		<u>43,392</u>
<b>Total Assets Less Current Liabilities</b>			261,989		250,546
<b>Creditors: amounts falling due after more than one year</b>	9		<u>(27,957)</u>		<u>(22,480)</u>
<b>Net Assets</b>			<u><u>234,032</u></u>		<u><u>228,066</u></u>
<b>Capital and Reserves</b>					
Called up share capital	10		40,100		40,100
Revaluation reserve			100,543		100,543
Profit and loss account			93,389		87,423
<b>Shareholders' Funds</b>			<u><u>234,032</u></u>		<u><u>228,066</u></u>

On behalf of the Board

A.C. Lewis

*A. C. Lewis*

)  
) Directors

A.I. Lewis

*A. I. Lewis*

)

**B. S. LEWIS LIMITED**

**Notes to the Financial Statements  
for the year ended 31st December 1998**

**1. Accounting Policies**

**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

**1.2 Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	-	Not depreciated
Plant and machinery	-	10% Straight Line
Fixtures and fittings	-	10% Straight Line
Motor vehicles	-	20% Straight Line
Computer equipment	-	20% Straight Line

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

**1.3 Leasing and hire purchase commitments**

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

**1.4 Stock**

Stocks are valued at the lower of cost, on a first in, first out basis and net realisable value.

**1.5 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

**1.6 Foreign currencies**

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.

**B. S. LEWIS LIMITED**

**Notes to the Financial Statements  
for the year ended 31st December 1998**

..... continued

<b>2. Employees</b>	<b>1998</b>	<b>1997</b>
	<b>Number</b>	<b>Number</b>
<b>Number of employees</b>		
The average number of employees (including the directors) during the year was:		
Sales, warehouse & administration	<u>5</u>	<u>5</u>
<b>Employment costs</b>	<b>1998</b>	<b>1997</b>
	<b>IR£</b>	<b>IR£</b>
Wages and salaries	73,872	76,293
Social welfare costs	1,971	2,511
Other pension costs	6,852	7,137
	<u>82,695</u>	<u>85,941</u>
<b>3. Operating profit</b>	<b>1998</b>	<b>1997</b>
	<b>IR£</b>	<b>IR£</b>
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	6,937	3,012
Directors' fees	46,900	45,100
Other directors' emoluments including pension contributions	53,244	55,693
Auditor's remuneration	3,800	3,500
	<u>110,881</u>	<u>117,305</u>
<b>4. Interest payable and similar charges</b>	<b>1998</b>	<b>1997</b>
	<b>IR£</b>	<b>IR£</b>
Included in this category is the following:		
On bank loans and overdrafts wholly repayable within five years	8,554	6,777
On all other loans	1,964	2,236
Lease finance charges	1,064	756
	<u>11,582</u>	<u>9,769</u>

**B. S. LEWIS LIMITED**

**Notes to the Financial Statements  
for the year ended 31st December 1998**

..... continued

<b>5.</b>	<b>Taxation charge</b>		<b>1998</b>	<b>1997</b>			
			<b>IR£</b>	<b>IR£</b>			
	Corporation Tax		3,091	651			
			<u>          </u>	<u>          </u>			
<b>6.</b>	<b>Tangible fixed assets</b>						
		<b>Freehold land and buildings</b>	<b>Plant and machinery</b>	<b>Fixtures and fittings</b>	<b>Motor vehicles</b>	<b>Computer equipment</b>	<b>Total</b>
		<b>IR£</b>	<b>IR£</b>	<b>IR£</b>	<b>IR£</b>	<b>IR£</b>	<b>IR£</b>
	<b>Cost/valuation</b>						
	At 1 January 1998	200,000	5,500	18,520	17,364	10,960	252,344
	Additions	-	-	273	-	26,528	26,801
	At 31 December 1998	<u>200,000</u>	<u>5,500</u>	<u>18,793</u>	<u>17,364</u>	<u>37,488</u>	<u>279,145</u>
	<b>Depreciation</b>						
	At 1 January 1998	-	5,500	16,854	11,876	10,960	45,190
	Charge for the year	-	-	258	1,372	5,307	6,937
	At 31 December 1998	<u>-</u>	<u>5,500</u>	<u>17,112</u>	<u>13,248</u>	<u>16,267</u>	<u>52,127</u>
	<b>Net book values</b>						
	At 31 December 1998	<u>200,000</u>	<u>-</u>	<u>1,681</u>	<u>4,116</u>	<u>21,221</u>	<u>227,018</u>
	At 31 December 1997	<u>200,000</u>	<u>-</u>	<u>1,666</u>	<u>5,488</u>	<u>-</u>	<u>207,154</u>

Freehold premises were valued at IR£200,000 on an open market basis by Druker Fanning & Partners, Estate Agents & Valuers, as at 14th September 1990.

The original cost of the freehold premises was IR£99,457 in 1988.

No provision has been made for tax which might arise on disposal of the premises at valuation.

The net book value of tangible fixed assets includes an amount of IR£22,234 (1997 IR£5,488) in respect of assets held under finance leases.

**B. S. LEWIS LIMITED**

**Notes to the Financial Statements  
for the year ended 31st December 1998**

..... continued

<b>7. Debtors</b>	<b>1998</b>	<b>1997</b>
	<b>IR£</b>	<b>IR£</b>
<u>Amounts falling due within one year:</u>		
Trade & other debtors	184,828	225,510
Director's loan ( see note 11 )	6,784	6,784
Prepayments and accrued income	1,960	5,760
	<u>193,572</u>	<u>238,054</u>
<b>8. Creditors: amounts falling due within one year</b>	<b>1998</b>	<b>1997</b>
	<b>IR£</b>	<b>IR£</b>
Bank overdraft ( see note 12. )	120,925	57,307
Bank loan ( see note 12. )	4,700	4,000
Net obligations under finance leases	9,777	2,225
Trade & other creditors	354,279	359,934
	<u>489,681</u>	<u>423,466</u>
<b>9. Creditors: amounts falling due after more than one year</b>	<b>1998</b>	<b>1997</b>
	<b>IR£</b>	<b>IR£</b>
Bank loan ( see note 12. )	15,375	20,254
Net obligations under finance leases	12,582	2,226
	<u>27,957</u>	<u>22,480</u>
<b>10. Share capital</b>	<b>1998</b>	<b>1997</b>
	<b>IR£</b>	<b>IR£</b>
<b>Authorised</b>		
- 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Alloted, called up, and fully paid.</b>		
- 40,100 Ordinary shares of £1 each	<u>40,100</u>	<u>40,100</u>

**B. S. LEWIS LIMITED**

**Notes to the Financial Statements  
for the year ended 31st December 1998**

..... continued

**11. Transactions with directors**

	<b>Amount Outstanding Maximum in</b>		
	<b>1998</b>	<b>1997</b>	<b>year</b>
	<b>IR£</b>	<b>IR£</b>	<b>IR£</b>
A.I. Lewis	6,784	6,784	6,784

**12. Bank Borrowings**

<b>1998</b>	<b>1997</b>
<b>IR£</b>	<b>IR£</b>

Analysis of borrowings included under creditors:

Wholly repayable within five years	120,925	57,307
Due wholly or in part by instalments after five years	20,075	24,254
	<hr/>	<hr/>
Total borrowings	141,000	81,561
Included in creditors falling due within one year	125,625	61,307
	<hr/>	<hr/>
Included in creditors falling due after more than one year	15,375	20,254
	<hr/>	<hr/>
Aggregate of instalments falling due after more than five years	-	1,000
	<hr/> <hr/>	<hr/> <hr/>

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

**13. Pension costs**

The company operates a pension scheme on a defined contribution basis within the meaning of the Pension Act 1990. All contributions due had been paid at the year end. Pension costs amounted to IR£6,852 (1997 - IR£7,137)



**B. S. LEWIS LIMITED**

**Operating Statement  
for the year ended 31st December 1998**

	<b>Appendices</b>	<b>1998 IR£</b>	<b>1997 IR£</b>
Sales		1,110,384	1,150,709
Cost of sales	1.	<u>(802,331)</u>	<u>(856,603)</u>
		308,053	294,106
Commissions receivable		<u>20,032</u>	<u>31,505</u>
Gross profit		328,085	325,611
Expenses	2.	<u>(319,033)</u>	<u>(321,467)</u>
		9,052	4,144
Bank interest received		<u>5</u>	<u>2</u>
Net profit before taxation		<u><u>9,057</u></u>	<u><u>4,146</u></u>

**B. S. LEWIS LIMITED**

**Appendix 1- Cost of Sales for the year ended 31st December 1998**

	<b>1998</b>	<b>1997</b>
	<b>IR£</b>	<b>IR£</b>
Opening Stock	201,424	204,460
Purchases	864,640	812,325
Carriage & Duty	<u>27,789</u>	<u>41,242</u>
	1,093,853	1,058,027
Closing Stock	<u>(291,522)</u>	<u>(201,424)</u>
	<u>802,331</u>	<u>856,603</u>

**B. S. LEWIS LIMITED**

**Appendix 2 - Schedule of expenses for the year ended 31st December 1998**

	1998		1997	
	IR£	IR£	IR£	IR£
<u>ADMINISTRATION EXPENSES</u>				
Directors' salaries	46,392		48,556	
Directors' fees	46,900		45,100	
Pension costs	6,852		7,137	
Staff wages	29,451		30,248	
Telephone	5,312		5,654	
Printing, postage & stationery	6,983		6,944	
General expenses	16,587		12,904	
Auditor's remuneration	3,800		3,500	
Travelling expenses	16,516		17,298	
Data processing	2,305		2,442	
Depreciation - computer equipment	5,307		860	
		186,405		180,643
<u>ESTABLISHMENT EXPENSES</u>				
Rent & rates	9,242		8,352	
Insurance	17,561		17,088	
Light & heat	2,866		2,292	
Repairs	777		2,831	
Depreciation - fixtures & fittings	258		229	
Depreciation - plant & machinery	-		551	
		30,704		31,343
<u>SELLING EXPENSES</u>				
Carriage & freight	23,892		29,753	
Commission	27,513		28,021	
Wrapping	245		276	
Motor expenses	10,065		12,362	
Advertising	2,836		5,394	
Depreciation - motor vehicles	1,372		1,372	
		65,923		77,178
<u>FINANCIAL EXPENSES</u>				
Bank interest & charges	12,889		11,086	
Lease finance charges	1,064		756	
Discount allowed	19,845		19,612	
Bad & doubtful debts	2,203		849	
		36,001		32,303
		<u>319,033</u>		<u>321,467</u>