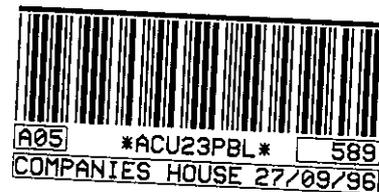


**W WILLIAMS & SON (BREAD
STREET) LIMITED**

**DIRECTORS' REPORT AND
ABBREVIATED ACCOUNTS**
for the year ended 30 November 1995

Company number 72859



BINDER HAMLYN

FINANCIAL STATEMENTS

The directors present their report and abbreviated accounts for the year ended 30 November 1995.

DIRECTORS

E Ball	Chairman and Managing Director	
AW Fenn	Assistant Managing Director	- retired 28 February 1995
JB Clark	Departmental Manager	
PC Christian	Departmental Manager	
H Kelly	Sales Manager	

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 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; 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 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.

ACTIVITY OF THE COMPANY

The principal activity of the company is the wholesale distribution of haberdashery and crafts.

REVIEW OF THE YEAR

The year under review presented very difficult trading conditions and the turnover was down by 8.6%. Savings were made in the cost of the operation but there was a loss for the year of £31,501. Details of the movements in reserves are shown on the Profit and Loss Account on page 5.

An interim dividend of 8p per share was paid during the year, and in view of the trading result the directors recommend that no final dividend is paid.

The directors are encouraged that the early months of the current year have seen the arresting of a two year decline in turnover. The imminent implementation of plans for a new management and sales team will result in an improvement in efficiency and a reduction in operating costs. Your directors are cautiously optimistic in a resumption of profitable trading.

DIRECTORS

The interests of the directors at 30 November 1995 in the ordinary shares of the company are shown in note 14 on page 14.

In accordance with the articles of association, Mr JB Clark retires by rotation and, being eligible, offers himself for re-election.

FIXED ASSETS

The movements in fixed assets during the year are set out in note 5 on page 10.

AUDITORS

A resolution proposing that Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 22 February 1996.



B Ruskin
Secretary

Registered Office

Regent House
1, Thane Villas
London N7 7PH

AUDITORS' REPORT

**to the directors of W Williams & Son (Bread Street) Limited
pursuant to paragraph 24 of schedule 8 to the Companies Act 1985**

We have examined the abbreviated accounts on pages 5 to 16 together with the full financial statements of W Williams & Son (Bread Street) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 30 November 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 6 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the directors are entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred in Section B of Part III of Schedule 8 to that Act in respect of the year ended 30 November 1995 and the abbreviated accounts on pages 5 to 15 have been properly prepared in accordance with that Schedule.

Other information

On 22 February 1996 we reported, as auditors of W Williams & Son (Bread Street) Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 November 1995 and our report was as follows:

'We have audited the financial statements on pages 5 to 14 which have been prepared on the basis of the accounting policies set out on page 8.

BINDER HAMLYN

AUDITORS' REPORT *continued*

**to the directors of W Williams & Son (Bread Street) Limited
pursuant to paragraph 24 of schedule 8 to the Companies Act 1985**

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.

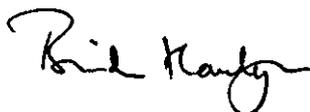
Basis of opinion

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 30 November 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985."



**Chartered Accountants
Registered Auditors**

22nd February 1996

W WILLIAMS & SON (BREAD STREET) LIMITED**PROFIT AND LOSS ACCOUNT
for the year ended 30 November 1995**

	Notes	1995	1994
		£	£
Gross profit		791,725	891,645
Distribution costs		(380,415)	(396,609)
Administrative expenses		(432,116)	(423,516)
Operating (loss)/profit		(20,806)	71,520
Interest receivable and similar income		118	78
Interest payable and similar charges		(15,036)	(14,450)
(Loss)/profit on ordinary activities before taxation	2	(35,724)	57,148
Tax on profit on ordinary activities	3	4,223	(16,748)
(Loss)/profit on ordinary activities after taxation for the financial year		(31,501)	40,400
Dividends paid and proposed	4	(7,848)	(18,122)
Amounts transferred (from)/to reserves	10	(39,349)	22,278

STATEMENT OF RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than those shown above. All profits and losses relate to continuing activities of the company.

W WILLIAMS & SON (BREAD STREET) LIMITED

BALANCE SHEET
as at 30 November 1995

	Notes	1995	1994
		£	£
FIXED ASSETS			
Tangible assets	5	717,249	769,064
CURRENT ASSETS			
Stock		1,087,439	1,202,040
Debtors	6	855,951	967,463
Cash at bank and in hand		6,429	7,374
		1,949,819	2,176,877
CREDITORS: amounts falling due within one year	7	(467,187)	(686,852)
Net current assets		1,482,632	1,490,025
Total assets less current liabilities		2,199,881	2,259,089
CREDITORS: amounts falling due after more than one year	8	(34,509)	(54,368)
Net assets		2,165,372	2,204,721
CAPITAL AND RESERVES			
Called up share capital	9	98,102	98,102
Share premium account		23,303	23,303
Capital redemption reserve fund		15,049	15,049
Profit and loss account		2,028,918	2,068,267
	10	2,165,372	2,204,721

We have relied on sections 246 and 247 of the Companies Act 1985 as entitling us to deliver abbreviated accounts and have taken advantage of the exemption conferred in Section B of Part III of Schedule 8 to that Act and we do so on the ground that the company is entitled to the benefit of those sections as a medium sized company.

The financial statements on pages 5 to 16 were approved by the Board on 22 February 1996

E Ball
H Kelly

Directors



W WILLIAMS & SON (BREAD STREET) LIMITED

**CASH FLOW STATEMENT
for the year ended 30 November 1995**

	Notes	1995		1994
		£	£	£
Net cash inflow from operating activities	11		256,228	177,237
Returns on investments and servicing of finance				
Interest received		118		78
Interest paid		(10,342)		(16,116)
Interest element of finance lease rental payments		(5,793)		(7,149)
Dividends paid		(17,658)		(8,312)
Net cash outflow from returns on investments and servicing of finance			(33,675)	(31,499)
Taxation				
UK taxation (paid)/ received			(19,504)	8,282
Investing activities				
Purchase of tangible fixed assets		(96,011)		(109,025)
Sale of tangible fixed assets		42,307		27,985
Net cash outflow from investing activities			(53,704)	(81,040)
Net cash inflow before financing			149,345	72,980
Financing				
Purchase of own shares		-		(18,850)
Capital element of finance lease rental		(18,395)		(17,039)
			(18,395)	(35,889)
Net cash inflow			130,950	37,091
Increase in cash and cash equivalents	12		130,950	37,091

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

Depreciation

No depreciation is provided on assets sold during the year or assets not brought into use. Depreciation of other fixed assets is charged on the basis of equal annual instalments at rates designed to write off the cost of those assets over their useful lives as follows:

Freehold buildings	50 years
Fixtures, fittings, tools and equipment	7-10 years
Motor vehicles	4 years
Computer equipment	5 years

Stock

Stock is included at the lower of cost, on a first in first out basis, and net realisable value comprising ultimate selling price less the cost of marketing and distribution yet to be incurred.

Foreign currencies

Transactions denominated in foreign currencies are translated to sterling at the exchange rates ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the rates ruling at the balance sheet date. Exchange differences arising are dealt with through the profit and loss account.

Finance leases

Assets held under finance lease arrangements are included in tangible fixed assets and amortised in accordance with the depreciation policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. Finance charges in respect of leased assets are allocated to accounting periods over the lease term so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

Pension scheme costs

The regular cost of providing retirement pensions and related benefits is calculated over the employees' service lives on the basis of a constant percentage of earnings. Variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. The charge to profit and loss is based on the employer's pension cost which takes into account the variation from regular pension cost.

W WILLIAMS & SON (BREAD STREET) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

1 ACCOUNTING POLICIES (continued)

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

2	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1995	1994
		£	£
	After charging/(crediting):		
	Auditors' remuneration	14,500	4,500
	Depreciation of assets held under finance lease	29,334	19,334
	Depreciation of owned assets	72,041	68,092
	Directors' emoluments (see note 14)	195,726	207,667
	Finance charges payable under finance lease	5,793	7,149
	Hire of plant and machinery	6,548	6,920
	Profit on sale of fixed assets	4,144	(12,265)

3 TAXATION

Profit and loss account charge/(credit) based on the result for the year:

Corporation tax at 25% (1994 : 25%)	441	17,687
Prior year adjustments	3,782	(939)
Tax on profit on ordinary activities	4,223	16,748

4 DIVIDENDS PAID AND PROPOSED

Interim dividend paid in July 1995 at 8p per ordinary share	7,848	8,312
Final dividend proposed for 1994 at 10p per ordinary share	-	9,810
	7,848	18,122

W WILLIAMS & SON (BREAD STREET) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

5 TANGIBLE FIXED ASSETS

(a) Cost or valuation

	Freehold land and buildings £	Fixtures, fittings tools and equipment £	Vehicles £	Computer equipment £	Total £
Cost or valuation					
30 November 1994					
Cost	581,084	269,316	300,244	225,685	1,376,329
Additions	-	2,465	93,546	-	96,011
Disposals	-	-	(112,136)	-	(112,136)
30 November 1995	581,084	271,781	281,654	225,685	1,360,204
Depreciation					
30 November 1994	106,020	232,979	129,760	138,506	607,265
Provision for the year	8,355	4,368	55,886	32,766	101,375
Disposals	-	-	(65,685)	-	(65,685)
30 November 1995	114,375	237,347	119,961	171,272	642,955
Net book amount					
30 November 1995	466,709	34,434	161,693	54,413	717,249
30 November 1994	475,064	36,337	170,484	87,179	769,064

(b) Assets held under finance leases

The net book amount of tangible fixed assets of £717,249 includes an amount of £48,004 in respect of assets held under finance leases.

(c) Capital commitments

	1995 £	1994 £
Authorised and contracted for	-	35,888

W WILLIAMS & SON (BREAD STREET) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

6 DEBTORS	1995	1994
	£	£
Trade debtors	824,227	929,834
Other debtors	19,937	25,111
Prepayments and accrued income	5,669	6,802
Advance corporation tax recoverable	7,677	5,716
Corporation tax recoverable	441	-
	855,951	967,463

All amounts are due within one year with the exception of advance corporation tax recoverable of £7,677 (1994: £5,716).

7 CREDITORS: amounts falling due within one year

Bank overdraft	130,961	262,856
Trade creditors	164,195	117,767
Other creditors	-	181,990
Corporation tax payable	4,027	15,609
Other taxes and social security	133,755	27,240
Accruals	14,390	47,470
Proposed dividend	-	9,810
Advance corporation tax payable	-	5,716
Obligations under finance leases	19,859	18,394
	467,187	686,852

8 CREDITORS: amounts falling due after one year

Obligations under finance leases	34,509	54,368
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9 CALLED UP SHARE CAPITAL

	Number	Number
Ordinary shares of £1		
Authorised	250,000	250,000
Allotted and fully paid	98,102	98,102

W WILLIAMS & SON (BREAD STREET) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1995	1994
	£	£
Profit for the year	(31,501)	40,400
Dividends	(7,848)	(18,122)
Net additions to shareholders' funds	(39,349)	22,278
Opening shareholders' funds	2,204,721	2,201,293
Share purchase	-	(18,850)
Closing shareholders' funds	2,165,372	2,204,721
11 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Operating profit	(20,806)	71,520
Depreciation	101,375	87,426
Decrease in stocks	114,601	(26,479)
Decrease in debtors	113,914	125,294
Decrease in creditors	(57,000)	(68,259)
Profit on sale of fixed assets	4,144	(12,265)
Net cash inflow from operating activities	256,228	177,237
12 CASH AND CASH EQUIVALENTS		
Balance of cash and cash equivalents		
Cash at bank and in hand	6,429	7,374
Bank overdraft	(130,961)	(262,856)
	(124,532)	(255,482)
Change in the balance of cash and cash equivalents		
1 December	(255,482)	(292,573)
Net cash inflow for year	130,950	37,091
30 November	(124,532)	(255,482)

W WILLIAMS & SON (BREAD STREET) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

13 EMPLOYEES

The average number of persons employed by the company (including directors) during the year was 62 (1994 : 66).

	1995	1994
	£	£
The aggregate costs of employment were:		
Aggregate remuneration	869,070	946,384
Social security costs	74,389	81,056
Other pension costs	44,126	43,407
	987,585	1,070,847

14 DIRECTORS

Remuneration

Directors' emoluments amounted to:

Fees	400	417
Remuneration as executives	172,055	177,130
Pensions	23,271	30,120
	195,726	207,667

Directors' remuneration, excluding pension contributions, is as follows:

Chairman (and highest paid director)	46,982	51,745
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Other directors' remuneration is within the following bands:	Number	Number
£5,001 - £10,000	-	1
£25,001 - £30,000	2	-
£30,001 - £35,000	1	1
£35,001 - £40,000	1	1
£45,001 - £50,000	-	1

W WILLIAMS & SON (BREAD STREET) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

14 DIRECTORS *continued*

The table below sets out the names of the persons who were directors of the company at 30 November 1995 together with details of their interest in the shares of the company at that date and corresponding details at 1 December 1994.

The interests are beneficial unless otherwise stated:

	30 November 1995	1 December 1994
E Ball	7,230	7,080
AW Fenn - retired 28 February 1995	-	5,001
JB Clark	4,806	4,806
PC Christian	1,539	1,339
H Kelly (appointed 1 October 1995)	1,230	730
Trustee: E Ball (non beneficial)	11,547	11,547
Trustee: PC Christian (non beneficial)	8,847	8,847
Trustee: AW Fenn (non beneficial)	-	3,162
Trustee: H Kelly (non beneficial)	3,162	-

The directors have interests in an employee share option scheme granted 11 December 1987 which authorised the issue of 15,000 ordinary share options in the 3 years from adoption date and up to 5,000 options in each of 2 subsequent years. The price of the shares on the exercise of options will be market value at the date of grant, £4.50 per share. Unexpired options will lapse 10 years after issue.

15 OPERATING LEASE COMMITMENTS

At 30 November 1995 the company had annual commitments under non-cancellable operating leases for two to five years of £5,410 (1994: £5,410)

16 PENSION FUNDING

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with an insurance company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are based on the recommendations of a qualified actuary following triennial valuations using the projected unit method. The most recent valuation was at 1 March 1995. The main assumptions are those relating to the yield on the fund and the rates of increase in pensionable salaries. It was assumed that on average the yield on the fund will exceed increases in pensionable salaries by 2% per annum.

The pension charge for the year was £44,126 (1994: £43,407).

The most recent actuarial valuation shows that the market value of the scheme's assets was £1,235,160 at the actuarial value of those assets represented 116% of the benefits that had accrued to members, after allowing for expected future increases in earnings and allowing for benefit improvements.

W WILLIAMS & SON (BREAD STREET) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

16 PENSION FUNDING *continued*

Employees' contributions to the scheme are 5% of pensionable salary and the company's regular contributions are 12.7%. Under the actuary's recommendations the company's contributions for 1996-2000 will be 10.3% and 14.5% thereafter.