

**W Williams & Son
(Bread Street) Limited**

Directors' report and abbreviated accounts
For the year ended 30 November 2000

Company's registered number 72859



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Directors' report

For the year ended 30 November 2000

Financial Statements

The directors present their report and financial statements for the year ended 30 November 2000.

Directors

H Kelly	Chairman & Managing Director
PC Christian	Assistant Managing Director/Buying Director
CJ Cook	Buying Director
T McCall	Sales Director (Resigned 23 June 2000)
JB Ruskin	Finance Director (Appointed 1 June 2000)

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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- o select suitable accounting policies and then apply them consistently;
- o make judgements and estimates that are reasonable and prudent;
- o state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- o 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 keeping 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.

Registered number

The company's registered number is 72859.

Directors' report (continued)

Review of the year

Turnover was up 1% despite the difficulties still being experienced by the retail trade. The turnover increase coupled with continued efficiency within the operation meant that the company recorded a pre tax profit of £38,276.

We are confident trade in 2001 will improve.

An interim dividend of 5p per share was paid during the year, and the directors recommend a final dividend of 12p.

Directors

The interests of the directors at 30 November 2000 in the ordinary shares of the company are shown in note 16 on page 15.

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

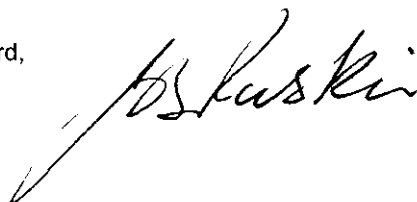
Auditors

Since the last Annual General Meeting PKF were appointed as auditors in place of Arthur Andersen. A resolution to re-appoint them will be proposed at the Annual General meeting.

This report was approved by the Board on 26 February, 2001.

By order of the board,

JB Ruskin
Secretary



Registered Office
Regent House
1, Thane Villas
London N7 7PH

INDEPENDENT AUDITORS' REPORT

TO W WILLIAMS & SON (BREAD STREET) LIMITED

Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes, together with the full financial statements of W Williams & Son (Bread Street) Limited for the year ended 30 November 2000 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 in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts to be delivered have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been 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 financial statements.

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 are properly prepared in accordance with that provision.

PKF
Registered Auditors

London

13th September 2001

Profit and loss account

For the year ended 30 November 2000

	Notes	2000 £	1999 £
Gross Profit		787,206	738,990
Distribution costs		(477,697)	(453,164)
Administrative expenses		(290,408)	(287,514)
Operating profit		19,101	(1,688)
Interest receivable and similar income		20,841	14,251
Interest payable and similar charges		(1,666)	(543)
Profit on ordinary activities before taxation	2	38,276	12,020
Tax on profit on ordinary activities	3	(13,217)	(6,764)
Profit on ordinary activities after taxation for the financial year		25,059	5,256
Dividends	4	(16,677)	(7,848)
Retained profit for the year	10	8,382	(2,592)
Profit and loss account brought forward		2,105,133	2,107,725
Profit and loss account carried forward		2,113,515	2,105,133

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

Balance sheet

as at 30 November 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	5	623,351	661,446
Current assets			
Stock		624,945	578,820
Debtors	6	721,249	722,916
Cash at bank and in hand		731,347	692,979
		2,077,541	1,994,715
Creditors: amounts falling due within one year	7	(450,923)	(413,626)
Net current assets		1,626,618	1,581,089
Total assets less current liabilities		2,249,969	2,242,535
Creditors: amounts falling due after more than one year	8	-	(948)
Net Assets		2,249,969	2,241,587
Capital and reserves			
Called up share capital	9	98,102	98,102
Share premium account	10	23,303	23,303
Capital redemption reserve fund	10	15,049	15,049
Profit and loss account	10	2,113,515	2,105,133
Equity Shareholders' funds	11	2,249,969	2,241,587

These abbreviated accounts have been prepared in accordance with the special provisions relating to medium sized companies within Part VII of the Companies Act 1985.

The financial statements were approved by the Board on 26 February 2001.

H Kelly



JB Ruskin



Directors

5 W Williams & Son (Bread Street) Limited

Cash flow statement

for the year ended 30 November 2000

	Notes	2000 £	1999 £
Net cash inflow from operating activities	12	108,817	130,794
Returns on investments and servicing of finance	13	19,175	13,708
Taxation		(14,857)	(31,821)
Capital expenditure and financial investments	13	(55,835)	(60,136)
Equity dividends paid		(7,848)	(20,602)
Cash inflow before use of liquid resources and financing		<u>49,452</u>	<u>31,943</u>
Management of liquid resources	13	(5,855)	101,403
Financing	13	(2,845)	(2,844)
Increase in cash in period		<u>40,752</u>	<u>130,502</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in year	14	40,752	130,502
Cash outflow from decrease in lease financing		2,845	2,844
Cash outflow / (inflow) from increase/decrease in liquid resources		5,855	(101,403)
Change in net funds resulting from cashflows		<u>49,452</u>	<u>31,943</u>
Net funds at 1 December 1999		537,571	505,628
Net funds at 30 November 2000	14	<u>587,023</u>	<u>537,571</u>

Notes to the financial statements

For the year ended 30 November 2000

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.

a) *Turnover*

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

b) *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

c) *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.

d) *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.

e) *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.

Rentals under operating leases other than land and buildings are charged on a straight line basis over the lease term, even if the payments are not made on such a basis.

Notes to the financial statements (continued)

f) 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 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.

g) 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.

h) Liquid resources

Corporate bonds have been treated in the cash flow statement as liquid resources and not as cash balances as they do not fit the definition of cash per FRS 1 (revised).

2 Profit on ordinary activities before taxation is stated after charging/(crediting)

	2000	1999
	£	£
Auditors' remuneration	9,500	11,600
Depreciation of assets held under finance lease	1,114	1,114
Depreciation of owned assets	94,247	89,625
Directors' emoluments (see note 16)	214,896	197,122
Finance charges payable under finance lease	543	543
Operating lease rental	4,533	4,533
Profit on sale of fixed assets	(1,431)	(2,891)
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3. Taxation

Profit and loss account charge based on the result for the year:

	2000	1999
	£	£
Corporation tax at 20% (1999: 20.33%)	15,364	6,764
Prior year adjustments	(2,147)	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	13,217	6,764
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Notes to the financial statements (continued)

4 Dividends

	2000	1999
	£	£
Interim dividend of 5p per ordinary share(1999 : 5p)	4,905	4,905
Final dividend proposed 12p per ordinary share (1999 : 3p)	11,772	2,943
	<u>16,677</u>	<u>7,848</u>

5 Tangible fixed assets

	Freehold land and buildings	Fixtures, fittings, tools and equipment	Vehicles	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 December 1999	579,569	323,437	259,732	55,687	1,218,425
Additions	-	909	53,515	11,854	66,278
Disposals	-	-	(40,789)	-	(40,789)
30 November 2000	<u>579,569</u>	<u>324,346</u>	<u>272,458</u>	<u>67,541</u>	<u>1,243,914</u>
Depreciation					
At 1 December 1999	147,348	272,557	106,783	30,291	556,979
Provision for the year	8,328	9,596	64,628	12,809	95,361
Disposals	-	-	(31,777)	-	(31,777)
30 November 2000	<u>155,676</u>	<u>282,153</u>	<u>139,634</u>	<u>43,100</u>	<u>620,563</u>
Net book amount					
30 November 2000	<u>423,893</u>	<u>42,193</u>	<u>132,824</u>	<u>24,441</u>	<u>623,351</u>
30 November 1999	<u>432,221</u>	<u>50,880</u>	<u>152,949</u>	<u>25,396</u>	<u>661,446</u>

(a) Assets held under finance leases

The net book amount of tangible fixed assets of £ 623,351 includes an amount of £ 8,911 (1998 £10,025) in respect of assets held under finance leases.

Notes to the financial statements (continued)

6 Debtors

	2000	1999
	£	£
Trade debtors	703,228	690,689
Other debtors	7,301	19,667
Prepayments and accrued income	10,720	12,560
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	721,249	722,916
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7 Creditors: amounts falling due within one year

	2000	1999
	£	£
Bank overdraft	143,376	151,615
Trade creditors	56,592	30,884
Other creditors	88,235	82,967
Corporation tax payable	9,303	10,943
Other taxes and social security	44,620	28,167
Accruals	96,077	103,262
Obligations under finance leases	948	2,845
Proposed Dividends	11,772	2,943
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	450,923	413,626
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8. Creditors: amounts falling due after one year

	2000	1999
	£	£
Obligations under finance leases	-	948
	<hr/>	<hr/>

Notes to the financial statements (continued)

9 Called up share capital

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

10 Reserves

	Share Premium Account £	Capital redemption reserve £	Profit and loss account £	Total £
At 30 November 2000	23,303	15,049	2,105,133	2,143,485
Retained profit for the year	<u>—</u>	<u>—</u>	8,382	8,382
	<u>23,303</u>	<u>15,049</u>	<u>2,113,515</u>	<u>2,151,867</u>

11 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the year	25,059	5,256
Dividends	(16,677)	(7,848)
Net increase to / (reduction in) shareholders' funds	<u>8,382</u>	<u>(2,592)</u>
Opening shareholders' funds	2,241,587	2,244,179
Closing shareholders' funds	<u>2,249,969</u>	<u>2,241,587</u>

Notes to the financial statements (continued)

12 Reconciliation of operating profit to net cash inflow from operating activities

	2000 £	1999 £
Operating profit	19,101	(1,688)
Depreciation	95,361	90,739
(Increase)/Decrease in stocks	(46,125)	131,646
Decrease in debtors	1,667	10,156
Increase/(Decrease) in creditors	40,244	(97,168)
Profit on sale of fixed assets	(1,431)	(2,891)
Net cash inflow from operating activities	<u>108,817</u>	<u>130,794</u>

13 Analysis of cash flows for headings netted in cash flow statement

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	20,841	14,251
Interest element of finance lease rental payments	(543)	(543)
Interest paid	(1,123)	-
	<u>19,175</u>	<u>13,708</u>
Capital expenditure and financial investments		
Purchase of fixed assets	(66,278)	(68,020)
Sale proceeds from disposal of fixed assets	10,443	7,884
	<u>(55,835)</u>	<u>(60,136)</u>

Notes to the financial statements (continued)

Management of liquid resources

	2000 £	1999 £
Purchase of corporate bonds	(444,497)	(421,917)
Sale of corporate bonds	438,642	523,320
	<u>(5,855)</u>	<u>101,403</u>

Financing

Capital element of financial lease payments	<u>(2,845)</u>	<u>(2,844)</u>
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14 Analysis of net funds

	1 December 1999 £	Cashflow £	30 November 2000 £
Cash at bank and in hand	585,393	32,513	617,906
Bank overdraft	(151,615)	8,239	(143,376)
		<u>40,752</u>	
Corporate bonds	107,586	5,855	113,441
Finance leases	(3,793)	2,845	(948)
	<u>537,571</u>	<u>49,452</u>	<u>587,023</u>

15 Employees

The average number of persons employed by the company (including directors) during the year was 51 (1999: 52).

	2000 £	1999 £
The aggregate costs of employment were:		
Aggregate remuneration	846,234	902,892
Social security costs	70,108	77,226
Other pension costs	76,550	60,743
	<u>992,892</u>	<u>1,040,861</u>

Notes to the financial statements (continued)

16 Directors

Remuneration

	2000	1999
	£	£
Directors' emoluments amounted to:		
Fees	400	400
Remuneration as executives	188,154	172,384
Pensions	26,342	24,338
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	214,896	197,122
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All directors were members of the money purchase scheme.

Highest Paid Director	51,954	48,269
Pension Contributions	7,366	6,272
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In addition to the amounts above compensation amounting to £44,630 was paid to a former director under a compromise agreement.

The table below sets out the names of the persons who were directors of the company at 30 November 2000 together with details of their interests in the shares of the company at that date and corresponding details at 30 November 1999.

The interests are beneficial unless otherwise stated:

	30 November 2000	30 November 1999 or date of appointment if later
H Kelly	2,229	1,613
PC Christian	2,075	1,809
CJ Cook	5,000	3,440
JB Ruskin (appointed 1 June 2000).	2,926	721
Trustee: PC Christian (non beneficial)	8,847	8,847
Trustee: H Kelly (non beneficial)	3,162	3,162
Trustee: JB Ruskin (non beneficial)	3,162	3,162
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Notes to the financial statements (continued)

17 Operating lease commitments other than land and buildings

At 30 November 2000 the company had annual commitments under a non-cancellable operating lease for five years of £4,533 (1999: £4,533).

18 Pension funding

The company operates a money purchase scheme. This was changed from a defined benefit scheme on 1 April 1999.

The most recent actuarial valuation dated 1 March 1998 shows that the market value of the scheme's assets was £1,236,090. The actuarial value of those assets represented 108% of the benefits that had accrued to members.

In the pension scheme accounts as at 29 February 2000 the net assets of the scheme totalled £1,506,294 and was split as follows

	£
Defined Benefit Section	342,919
Money Purchase Section	1,163,375
	<hr/>
	1,506,294
	<hr/>

Although the actuarial valuation at 1 March 1998 represented 108% of the benefits that had accrued to members, the scheme's actuary recommended that the company continued to make contributions to the Defined benefit section to meet MFR requirements. The contribution to the defined benefit scheme in the year amounted to £15,665. (1999 £24,954).

The contribution to the money purchase section in the year was £60,885 (1999 £35,789).