

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

**DIRECTORS' REPORT AND
ABBREVIATED ACCOUNTS**

for the year ended 30 November 1994

Company number 72859

BINDER HAMLYN



W WILLIAMS & SON (BREAD STREET) LIMITED

DIRECTORS' REPORT for the year ended 30 November 1994

FINANCIAL STATEMENTS

The directors present their report and abbreviated accounts for the year ended 30 November 1994.

DIRECTORS

E Ball	Chairman and Managing Director
AW Fenn	Assistant Managing Director
JB Clark	Departmental Manager
PC Christian	Departmental Manager
H Kelly	Sales Manager (appointed 1 October 1994)

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.

W WILLIAMS & SON (BREAD STREET) LIMITED

DIRECTORS' REPORT for the year ended 30 November 1994

REVIEW OF THE YEAR

Turnover during the year was down by 6.4%, the second half being particularly difficult. Gross Profit increased by 8% due to the success of the changes made in the organisation early in the year. The resulting profit was £40,400 (1993: £7,734).

An interim dividend of 8p per share was paid during the year and the directors recommend a final dividend of 10p.

During the year the company purchased 5,800 (5.58%) of its own shares. The directors consider that it is in the best interests of the company to make the purchase, the aggregate consideration for which was £18,850.

DIRECTORS

The interests of the directors at 30 November 1994 in the ordinary shares of the company are shown in note 14 on page 14.

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

Mr H Kelly, who was appointed on 1st October 1994, retires and 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

On 1 October 1994 our auditors, BDO Binder Hamlyn, joined the Arthur Andersen worldwide organisation and now practise in the name Binder Hamlyn. They have signed their audit report in their new name. In accordance with Section 385 of the Companies Act 1985, 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 23 February 1995.



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 14 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 1994.

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 1994 and the abbreviated accounts on pages 5 to 14 have been properly prepared in accordance with that Schedule.

Other information

On 23 February 1995 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 1994 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.

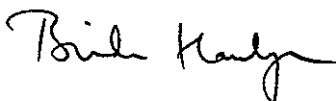
Basis of opinion

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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."



Chartered Accountants
Registered Auditors

23 February 1995

W WILLIAMS & SON (BREAD STREET) LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 30 November 1994

	Notes	1994	1993
		£	£
Gross profit		891,645	825,314
Distribution costs		(396,609)	(397,897)
Administrative expenses		(423,516)	(402,731)
Operating profit		71,520	24,686
Interest receivable and similar income		78	294
Interest payable and similar charges		(14,450)	(23,203)
Profit on ordinary activities before taxation	2	57,148	1,777
Tax on profit on ordinary activities	3	(16,748)	5,957
Profit on ordinary activities after taxation for the financial year		40,400	7,734
Dividends paid and proposed	4	(18,122)	(8,312)
Amounts transferred to reserves	10	22,278	(578)

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 1994

	Notes	1994		1993	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		769,064		763,185
CURRENT ASSETS					
Stock		1,202,040		1,175,561	
Debtors	6	967,463		1,098,875	
Cash at bank and in hand		7,374		4,808	
		2,176,877		2,279,244	
CREDITORS: amounts falling due within one year	7	(686,852)		(767,373)	
Net current assets			1,490,025		1,511,871
Total assets less current liabilities			2,259,089		2,275,056
CREDITORS: amounts falling due after more than one year	8		(54,368)		(73,763)
Net assets			2,204,721		2,201,293
CAPITAL AND RESERVES					
Called up share capital	9		98,102		103,902
Share premium account			23,303		23,303
Capital redemption reserve fund			15,049		9,249
Profit and loss account			2,068,267		2,064,839
	10		2,204,721		2,201,293

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 14 were approved by the Board on 23 February 1995



Director

W WILLIAMS & SON (BREAD STREET) LIMITED

CASH FLOW STATEMENT
for the year ended 30 November 1994

	Notes	1994	1993
		£	£
Net cash inflow from operating activities	11	177,237	108,866
Returns on investments and servicing of finance			
Interest received		78	294
Interest paid		(16,116)	(19,995)
Interest element of finance lease rental payments		(7,149)	(3,208)
Dividends paid		(8,312)	(18,702)
Net cash outflow from returns on investments and servicing of finance		(31,499)	(41,611)
Taxation			
UK taxation received/(paid)		8,282	(28,186)
Investing activities			
Purchase of tangible fixed assets		(109,025)	(125,356)
Sale of tangible fixed assets		27,985	23,871
Net cash outflow from investing activities		(81,040)	(101,485)
Net cash inflow/(outflow) before financing		72,980	(62,416)
Financing			
Purchase of own shares		(18,850)	-
Capital element of finance lease rental		(17,039)	-
		(35,889)	-
Net cash inflow/(outflow)		37,091	(62,416)
Increase/(decrease) in cash and cash equivalents	12	37,091	(62,416)

W WILLIAMS & SON (BREAD STREET) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

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	3-4 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.

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.

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.

W WILLIAMS & SON (BREAD STREET) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

1 ACCOUNTING POLICIES *continued*

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 costs, 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.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1994	1993
	£	£
After charging/(crediting):		
Auditors' remuneration	14,500	14,500
Depreciation of assets held under finance lease	19,334	-
Depreciation of owned assets	68,092	63,240
Directors' emoluments (see note 14)	207,667	174,193
Finance charges payable under finance lease	7,149	3,208
Hire of plant and machinery	6,920	4,344
Interest payable on bank overdraft repayable within five years	14,172	19,995
Profit on sale of fixed assets	(12,265)	(20,819)

3 TAXATION

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

Corporation tax at 25% (1993 : 25%)	17,687	(5,957)
Prior year adjustments	(939)	-
Tax on profit on ordinary activities	16,748	(5,957)

4 DIVIDENDS PAID AND PROPOSED

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

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 1993					
Cost	581,084	264,803	277,881	222,185	1,345,953
Additions	-	4,513	101,012	3,500	109,025
Disposals	-	-	(78,649)	-	(78,649)
30 November 1994	581,084	269,316	300,244	225,685	1,376,329
Depreciation					
30 November 1993	97,665	228,981	140,265	115,857	582,768
Provision for the year	8,355	3,998	52,424	22,649	87,426
Disposals	-	-	(62,929)	-	(62,929)
30 November 1994	106,020	232,979	129,760	138,506	607,265
Net book amount					
30 November 1994	475,064	36,337	170,484	87,179	769,064
30 November 1993	483,419	35,822	137,616	106,328	763,185

(b) Assets held under finance leases

The net book amount of tangible fixed assets of £769,064 includes an amount of £77,338 in respect of assets held under finance leases.

(c) Capital commitments

	1994 £	1993 £
Authorised and contracted for	35,888	18,000

W WILLIAMS & SON (BREAD STREET) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

6	DEBTORS	1994 £	1993 £
	Trade debtors	929,834	1,065,250
	Other debtors	25,111	13,425
	Prepayments and accrued income	6,802	8,366
	Advance corporation tax recoverable	5,716	5,877
	Corporation tax recoverable	-	5,957
		967,463	1,098,875

All amounts are due within one year with the exception of advance corporation tax recoverable of £5,716 (1993: £5,877).

7 CREDITORS: amounts falling due within one year

Bank overdraft	262,856	297,381
Trade creditors	117,767	164,983
Other creditors	181,990	179,272
Corporation tax payable	15,609	-
Other taxes and social security	27,240	61,610
Accruals	47,470	38,805
Proposed dividend	9,810	-
Advance corporation tax payable	5,716	2,413
Obligations under finance leases	18,394	22,909
	686,852	767,373

8 CREDITORS: amounts falling due after one year

Obligations under finance leases	54,368	73,763
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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	103,902

W WILLIAMS & SON (BREAD STREET) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £	1993 £
Profit for the year	40,400	7,734
Dividends	(18,122)	(8,312)
Net additions to shareholders' funds	22,278	(578)
Opening shareholders' funds	2,201,293	2,201,871
Share purchase	(18,850)	-
Closing shareholders' funds	2,204,721	2,201,293

11 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Operating profit	71,520	24,686
Depreciation	87,426	63,240
(Increase)/decrease in stocks	(26,479)	65,874
(Increase)/decrease in debtors	125,294	(30,176)
(Decrease)/increase in creditors	(68,259)	6,061
Profit on sale of fixed assets	(12,265)	(20,819)
Net cash inflow from operating activities	177,237	108,866

12 CASH AND CASH EQUIVALENTS

Balance of cash and cash equivalents

Cash at bank and in hand	7,374	4,808
Bank overdraft	(262,856)	(297,381)
	(255,482)	(292,573)

Change in the balance of cash and cash equivalents

1 December	(292,573)	(230,157)
Net cash inflow/(outflow) for year	37,091	(62,416)
30 November	(255,482)	(292,573)

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 66 (1993 : 69).

	1994	1993
	£	£
The aggregate costs of employment were:		
Aggregate remuneration	946,384	953,748
Social security costs	81,056	87,622
Other pension costs	43,407	41,319
	1,070,847	1,082,689

14 DIRECTORS

Remuneration

Directors' emoluments amounted to:

Fees	417	400
Remuneration as executives	177,130	145,125
Pensions	30,120	28,668
	207,667	174,193

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

Chairman (and highest paid director)	51,745	45,406
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Other directors' remuneration is within the following bands:

	Number	Number
£5,001 - £10,000	1	-
£25,001 - £30,000	-	1
£30,001 - £35,000	1	1
£35,001 - £40,000	1	-
£40,001 - £45,000	-	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 1994 together with details of their interest in the shares of the company at that date and corresponding details at 1 December 1993.

The interests are beneficial unless otherwise stated:

	30 November 1994	1 December 1993
E Ball	7,080	6,930
AW Fenn	5,001	4,863
JB Clark	4,806	4,506
PC Christian	1,339	1,339
H Kelly (appointed 1 October 1994)	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	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 1994 the company had annual commitments under non-cancellable operating leases for two to five years of £5,410 (1993: Nil)

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 1992. 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 1.5% per annum.

The pension charge for the year was £43,407 (1993: £41,319).

The most recent actuarial valuation shows that the market value of the scheme's assets was £1,233,900 and that the actuarial value of those assets represented 118% of the benefits that had accrued to members, after allowing for expected future increases in earnings and allowing for benefit improvements.

Employees' contributions to the scheme are 5% of pensionable salary and the company's regular contributions are 12.7%.