
WALTER SMITH (RETAIL) LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED
31 MARCH 2005**




Clement Keys
CHARTERED ACCOUNTANTS

WALTER SMITH (RETAIL) LTD

COMPANY INFORMATION

DIRECTORS	A Yorath (appointed 16/06/04) P Cadman (appointed 16/06/04) R Jones (appointed 16/06/04) A Ayres (appointed 16/06/04) K Lea (appointed 16/06/04) M Burnhope (appointed 16/06/04)
SECRETARY	Paul Cadman
COMPANY NUMBER	5155492
REGISTERED OFFICE	Crosby Court 28 George Street Birmingham West Midlands B3 1QG
AUDITORS	Clement Keys Chartered Accountants & Registered Auditors & 39/40 Calthorpe Road Edgbaston Birmingham B15 1TS
BANKERS	Nat West 1 St. Phillips Place Birmingham B32 1PP
SOLICITORS	George Green Solicitors 195 High Street Cradley Heath West Midlands B64 5HW

WALTER SMITH (RETAIL) LTD

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WALTER SMITH (RETAIL) LTD

DIRECTORS' REPORT For the period ended 31 March 2005

The directors present their report and the financial statements for the period ended 31 March 2005.

STATEMENT OF 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activities of the company throughout the period were the holding of interests in its subsidiary undertakings.

The company was incorporated on the 16th June 2004 and on the 6th August 2004, the company acquired the entire share capital of Thimslaw Limited in a management buy out.

The directors are satisfied with the results of the company for the period.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £60,714.

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the period and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	31/3/05	16/6/04
A Yorath (appointed 16/06/04)	10,000	10,000 *
P Cadman (appointed 16/06/04)	10,000	10,000 *
R Jones (appointed 16/06/04)	10,000	10,000 *
A Ayres (appointed 16/06/04)	-	-
K Lea (appointed 16/06/04)	10,000	10,000 *
M Burnhope (appointed 16/06/04)	-	-
(* held on date of appointment)		


WALTER SMITH (RETAIL) LTD

DIRECTORS' REPORT
For the period ended 31 March 2005

AUDITORS

The auditors, Clement Keys, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 26/1/06 and signed on its behalf.



Paul Cadman
Secretary

WALTER SMITH (RETAIL) LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WALTER SMITH (RETAIL) LTD

We have audited the financial statements of Walter Smith (Retail) Ltd for the period ended 31 March 2005 set out on pages 5 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 judgments 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.

WALTER SMITH (RETAIL) LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WALTER SMITH (RETAIL) LTD

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Clement Keys

Chartered Accountants & Registered Auditors
39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

Date: 29 January 2006

WALTER SMITH (RETAIL) LTD

PROFIT AND LOSS ACCOUNT
For the period ended 31 March 2005

	Note	2005 £
TURNOVER	1, 2	82,800
Interest payable	4	(7,844)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		74,956
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	(14,242)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		60,714

All amounts relate to continuing operations.

The activities of the company were the holding of interests in its subsidiary undertakings.

There were no recognised gains and losses for 2005 other than those included in the profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

WALTER SMITH (RETAIL) LTD

BALANCE SHEET
As at 31 March 2005

		31 March 2005	
	Note	£	£
FIXED ASSETS			
Investments	6		1,564,462
CURRENT ASSETS			
Debtors	7	2,325	
Cash at bank		17,851	
		<u>20,176</u>	
CREDITORS: amounts falling due within one year	8	<u>(153,944)</u>	
NET CURRENT LIABILITIES			<u>(133,768)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,430,694</u>
CREDITORS: amounts falling due after more than one year	9		<u>(1,329,980)</u>
NET ASSETS			<u><u>100,714</u></u>
CAPITAL AND RESERVES			
Called up share capital	10		40,000
Profit and loss account			<u>60,714</u>
SHAREHOLDERS' FUNDS - All Equity	11		<u><u>100,714</u></u>

The financial statements were approved by the board on 29/1/06 and signed on its behalf.

M Burnhope
Director



The notes on pages 8 to 12 form part of these financial statements.

WALTER SMITH (RETAIL) LTD

CASH FLOW STATEMENT
For the period ended 31 March 2005

	Note	2005 £
Net cash flow from operating activities	12	1,057,453
Returns on investments and servicing of finance	13	(7,844)
Acquisitions and disposals	13	(1,564,462)
CASH OUTFLOW BEFORE FINANCING		(514,853)
Financing	13	532,704
INCREASE IN CASH IN THE PERIOD		17,851

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 14)
For the period ended 31 March 2005

	2005 £
Increase in cash in the period	17,851
Cash inflow from increase in debt and lease financing	(492,704)
MOVEMENT IN NET DEBT IN THE PERIOD	(474,853)
Net funds at 16 June 2004	-
NET DEBT AT 31 MARCH 2005	(474,853)

The notes on pages 8 to 12 form part of these financial statements.

WALTER SMITH (RETAIL) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2005

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

2. TURNOVER

The whole of the turnover is attributable to management charges received from subsidiary companies.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

During the period, no director received any emoluments.

4. INTEREST PAYABLE

	2005 £
On loan notes	7,844
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5. TAXATION

	2005 £
UK corporation tax charge on profit of the period	14,242
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There were no factors that affected the tax charge for the period which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK applicable to the company of 19% (2004:Nil).

There were no factors that may affect future tax charges.

WALTER SMITH (RETAIL) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2005

6. FIXED ASSET INVESTMENTS

	Shares in group under- takings £
Cost	
Additions	1,564,462
At 31 March 2005	<u>1,564,462</u>

Subsidiary undertakings

The following was a subsidiary undertakings of the company:

Walter Smith (Birmingham) Limited	Retail Butchers and poulterers
Thimslaw Limited	Provision of accountancy services
Crosby Management Training Limited	Provision of Mangement services

The aggregate of the share capital and reserves as at 31 March 2005 and of the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Walter Smith (Birmingham) Limited	927,506	5,090
Thimslaw Limited	846,120	291,650
Crosby Management Training Limited	39,697	(12,715)
	<u> </u>	<u> </u>

Walter Smith (Retail) Limited holds 100% of the ordinary share capital in the above subsidiaries and the companies are incorporated in England and Wales. The subsidiaries activities are carried out in England.

7. DEBTORS

	31 March 2005 £
Other debtors	<u>2,325</u>

WALTER SMITH (RETAIL) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2005

8. CREDITORS:
Amounts falling due within one year

	31 March 2005 £
Loan notes	79,058
Amounts owed to group undertakings	52,183
Corporation tax	14,242
Accruals and deferred income	8,461
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	153,944
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9. CREDITORS:
Amounts falling due after more than one year

	31 March 2005 £
Loan notes	413,646
Amounts owed to group undertakings	916,334
	<hr/>
	1,329,980
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Included within the above are amounts falling due as follows:

	31 March 2005 £
Between one and two years	
Loan Notes	79,058
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Between two and five years	
Loan notes	334,588
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WALTER SMITH (RETAIL) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2005

10. SHARE CAPITAL

	31 March 2005 £
Authorised	
100,000 Ordinary shares of £1 each	100,000
Allotted, called up and fully paid	
40,000 Ordinary shares of £1 each	40,000

During the year, the company issued 39,999 Ordinary shares at par.

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 March 2005 £
Profit for the period	60,714
Shares issued during the period	40,000
Closing shareholders' funds	100,714

12. NET CASH FLOW FROM OPERATING ACTIVITIES

	2005 £
Operating profit	82,800
Increase in debtors	(2,324)
Increase in creditors	976,977
NET CASH INFLOW FROM OPERATIONS	1,057,453

13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2005 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest paid	(7,844)

WALTER SMITH (RETAIL) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2005

13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT
(continued)

	2005 £
ACQUISITIONS AND DISPOSALS	
Purchase of fixed asset investments	(1,564,462)
	<u>(1,564,462)</u>
	2005 £
FINANCING	
Issue of ordinary shares	40,000
New secured loans	492,704
	<u>532,704</u>
NET CASH INFLOW FROM FINANCING	<u>532,704</u>

14. ANALYSIS OF CHANGES IN NET DEBT

	16 June 2004 £	Cash flow £	Other non-cash changes £	31 March 2005 £
Cash at bank and in hand:	-	17,851	-	17,851
DEBT :				
Finance leases	-	-	-	-
Debts due within one year	-	(492,704)	413,646	(79,058)
Debts falling due after more than one year	-	-	(413,646)	(413,646)
NET	<u>-</u>	<u>(474,853)</u>	<u>-</u>	<u>(474,853)</u>