

D F WISHART & COMPANY LIMITED
ABBREVIATED ACCOUNTS
FOR
31ST DECEMBER 2002



WHITELAW WELLS
Chartered Accountants & Registered Auditors
9 Ainslie Place
Edinburgh
EH3 6AT

D F WISHART & COMPANY LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2002

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D F WISHART & COMPANY LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	G B H Wishart G Gardner G E McKnight K W Paterson-Brown K W Paterson-Brown Jnr T Miller
Company secretary	D A Thomson
Registered office	7 St Clair Street Edinburgh EH6 8LJ
Auditors	Whitelaw Wells Chartered Accountants & Registered Auditors 9 Ainslie Place Edinburgh EH3 6AT
Bankers	Bank of Scotland 6 Picardy Place Edinburgh EH1 3JT
Solicitors	Dundas & Wilson Saltire Court 20 Castle Terrace Edinburgh EH1 2EN

D F WISHART & COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the wholesaling of building and engineering supplies and agricultural wire products. The directors are pleased with the results for the year given the current economic climate affecting many of the company's customers.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

G B H Wishart
G Gardner
G E McKnight
K W Paterson-Brown
K W Paterson-Brown Jnr
T Miller

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

No share or debenture options were granted to, or exercised by any director or a member of their immediate family during the year.

RETIREMENT OF DIRECTORS

In accordance with the Articles of Association, K W Paterson-Brown Jnr and G E McKnight will retire from the board and, being eligible, will stand for re-appointment.

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 9 to 10, 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.

D F WISHART & COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2002

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 enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

AUDITORS

A resolution to re-appoint Whitelaw Wells as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
7 St Clair Street
Edinburgh
EH6 8LJ

Signed by order of the directors



D A THOMSON
Company Secretary

Approved by the directors on 13th June 2003

D F WISHART & COMPANY LIMITED
INDEPENDENT AUDITORS' REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 14, together with the financial statements of the company for the year ended 31st December 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE 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 prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

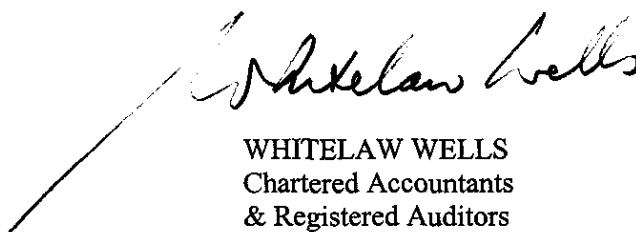
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 Act, and the abbreviated accounts on pages 5 to 14 are properly prepared in accordance with those provisions.

9 Ainslie Place
Edinburgh
EH3 6AT

13th June 2003


WHITELAW WELLS
Chartered Accountants
& Registered Auditors

D F WISHART & COMPANY LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 2002

	<i>Note</i>	2002 £	2001 £
GROSS PROFIT		3,224,655	3,217,930
Distribution Costs		77,203	68,353
Administrative expenses		2,731,242	2,731,186
OPERATING PROFIT	2	416,210	418,391
Interest receivable	5	19,950	68,694
Interest payable	6	(245)	(89)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		435,915	486,996
Tax on profit on ordinary activities	7	123,015	143,957
RETAINED PROFIT FOR THE FINANCIAL YEAR		312,900	343,039
Balance brought forward		1,841,927	1,498,888
Balance carried forward		<u>2,154,827</u>	<u>1,841,927</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 14 form part of these abbreviated accounts.

D F WISHART & COMPANY LIMITED**ABBREVIATED BALANCE SHEET****31ST DECEMBER 2002**

	Note	2002 £	£	2001 £	£
FIXED ASSETS					
Tangible assets	8		267,987		233,471
Investments	9		1,000		1,000
			<u>268,987</u>		<u>234,471</u>
CURRENT ASSETS					
Stocks	10	1,581,853		1,667,825	
Debtors	11	1,585,966		1,653,902	
Cash at bank and in hand		641,413		240,279	
		<u>3,809,232</u>		<u>3,562,006</u>	
CREDITORS: Amounts falling due within one year	12	<u>1,923,390</u>		<u>1,954,548</u>	
NET CURRENT ASSETS			<u>1,885,842</u>		<u>1,607,458</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,154,829</u>		<u>1,841,929</u>
CAPITAL AND RESERVES					
Called-up equity share capital	15		2		2
Profit and loss account			2,154,827		1,841,927
SHAREHOLDERS' FUNDS	16		<u>2,154,829</u>		<u>1,841,929</u>

These abbreviated accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 13th June 2003 and are signed on their behalf by:



G B H WISHART



K W PATERSON-BROWN JNR

The notes on pages 9 to 14 form part of these abbreviated accounts.

D F WISHART & COMPANY LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31ST DECEMBER 2002**

	2002	2001
	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	674,494	(704,895)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	19,950	68,694
Interest paid	(245)	(89)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	19,705	68,605
TAXATION	(143,983)	(93,958)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(167,393)	(88,495)
Receipts from sale of fixed assets	18,311	14,370
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(149,082)	(74,125)
INCREASE/(DECREASE) IN CASH	401,134	(804,373)

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW)
FROM****OPERATING ACTIVITIES**

	2002	2001
	£	£
Operating profit	416,210	418,391
Depreciation	115,259	101,369
(Profit)/Loss on disposal of fixed assets	(693)	11,966
Decrease in stocks	85,972	84,658
Decrease/(increase) in debtors	67,936	(12,259)
Decrease in creditors	(10,190)	(1,309,020)
Net cash inflow/(outflow) from operating activities	674,494	(704,895)

The notes on pages 9 to 14 form part of these abbreviated accounts.

D F WISHART & COMPANY LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31ST DECEMBER 2002

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002 £	2001 £
Increase/(Decrease) in cash in the period	<u>401,134</u>	<u>(804,373)</u>
Movement in net funds in the period	<u>401,134</u>	<u>(804,373)</u>
Net funds at 1 January 2002	<u>240,279</u>	<u>1,044,652</u>
Net funds at 31 December 2002	<u>641,413</u>	<u>240,279</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2002 £	Cash flows £	At 31 Dec 2002 £
Net cash:			
Cash in hand and at bank	<u>240,279</u>	<u>401,134</u>	<u>641,413</u>
Net funds	<u>240,279</u>	<u>401,134</u>	<u>641,413</u>

The notes on pages 9 to 14 form part of these abbreviated accounts.

D F WISHART & COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICIES

Basis of accounting

The abbreviated accounts have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 10% to 33% straight line
Fixtures & Fittings	- 20% reducing balance
Motor Vehicles	- 20% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

D F WISHART & COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2002	2001
	£	£
Depreciation	115,259	101,369
Loss on disposal of fixed assets	–	11,966
Profit on disposal of fixed assets	(693)	–
Auditors' remuneration		
- as auditors	13,170	11,930
Operating lease costs:		
Land and buildings	<u>20,903</u>	<u>33,264</u>

D F WISHART & COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST DECEMBER 2002

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2002	2001
	No	No
Number of distribution staff	51	50
Number of administrative staff	44	48
	<u>95</u>	<u>98</u>

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	1,385,421	1,348,334
Social security costs	120,097	123,699
Other pension costs	43,066	41,062
	<u>1,548,584</u>	<u>1,513,095</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2002	2001
	£	£
Emoluments receivable	164,864	150,343
Value of company pension contributions to money purchase schemes	7,225	8,918
	<u>172,089</u>	<u>159,261</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2002	2001
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

5. INTEREST RECEIVABLE

	2002	2001
	£	£
Bank interest receivable	<u>19,950</u>	<u>68,694</u>

D F WISHART & COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST DECEMBER 2002

6. INTEREST PAYABLE

	2002 £	2001 £
Interest payable on bank borrowing	<u>245</u>	<u>89</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
Current tax:		
UK Corporation tax based on the results for the year at 28.10% (2001 - 25%)	123,015	143,984
Over/under provision in prior year	—	(27)
Total current tax	<u>123,015</u>	<u>143,957</u>

8. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1st January 2002	117,040	39,082	499,265	655,387
Additions	19,987	—	147,406	167,393
Disposals	(1,167)	—	(112,618)	(113,785)
At 31st December 2002	<u>135,860</u>	<u>39,082</u>	<u>534,053</u>	<u>708,995</u>
DEPRECIATION				
At 1st January 2002	81,161	21,872	318,883	421,916
Charge for the year	21,761	3,412	90,086	115,259
On disposals	(986)	—	(95,181)	(96,167)
At 31st December 2002	<u>101,936</u>	<u>25,284</u>	<u>313,788</u>	<u>441,008</u>
NET BOOK VALUE				
At 31st December 2002	<u>33,924</u>	<u>13,798</u>	<u>220,265</u>	<u>267,987</u>
At 31st December 2001	<u>35,879</u>	<u>17,210</u>	<u>180,382</u>	<u>233,471</u>

D F WISHART & COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST DECEMBER 2002

9. INVESTMENTS

Investment in unlisted companies.

	£
COST	
At 1st January 2002 and 31st December 2002	<u><u>1,000</u></u>
NET BOOK VALUE	
At 31st December 2002	<u><u>1,000</u></u>
At 31st December 2001	<u><u>1,000</u></u>

The company owns 25% of the share capital in Span Marketing Limited, a company registered in England which acts as a buying consortium in household goods, tools and ironmongery.

10. STOCKS

	2002	2001
	£	£
Stock	<u><u>1,581,853</u></u>	<u><u>1,667,825</u></u>

11. DEBTORS

	2002	2001
	£	£
Trade debtors	1,380,909	1,489,736
Other debtors	191,708	152,195
Prepayments and accrued income	13,349	11,971
	<u><u>1,585,966</u></u>	<u><u>1,653,902</u></u>

12. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Trade creditors	786,535	936,470
Amounts owed to group undertakings	821,672	690,746
Other creditors including taxation and social security:		
Corporation tax	123,016	143,984
PAYE and social security	49,026	53,496
VAT	30,042	24,598
	<u><u>202,084</u></u>	<u><u>222,078</u></u>
Accruals and deferred income	113,099	105,254
	<u><u>1,923,390</u></u>	<u><u>1,954,548</u></u>

D F WISHART & COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST DECEMBER 2002

13. PENSIONS

The pension cost charge represents contributions payable by the company to the fund and amounted to £43,066 (2001 £41,062). There were no outstanding contributions at the year end.

14. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2002	2001
	£	£
Operating leases which expire:		
Within 1 year	4,494	9,434
Within 2 to 5 years	—	3,624
	<u>4,494</u>	<u>13,058</u>

15. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	312,900	343,039
Opening shareholders' equity funds	<u>1,841,929</u>	<u>1,498,890</u>
Closing shareholders' equity funds	<u>2,154,829</u>	<u>1,841,929</u>

17. ULTIMATE PARENT COMPANY

The holding company is D F Wishart (Holdings) Limited, a company incorporated in Great Britain.