

No. 93607

WILLIAM NICHOLSON LIMITED

Registered Office:
Cutts Terrace,
Broadfield Road,
Sheffield,
S8 0XU

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31st December, 1997.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by U.K. company law 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.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 31st December, 1997.

The directors also confirm that applicable accounting standards have been complied with subject to any material departures being disclosed and explained in the financial statements.

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. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The company effectively ceased trading on 31st December, 1992.

DIRECTORS & THEIR INTERESTS

The directors who served during the year were:

W. Barlow - Chairman (resigned 1/1/98)
D. J. Leah



WILLIAM NICHOLSON LIMITED

DIRECTORS' REPORT

DIRECTORS & THEIR INTERESTS (Cont'd.)

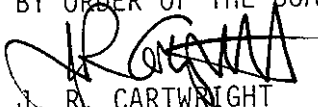
Neither of the directors had any beneficial interest in the shares of the company at 31st December, 1997, or 31st December, 1996. Both were directors of George Barlow & Sons Limited, which owns one third of the company's issued ordinary shares. Mr. Barlow resigned as a director of George Barlow & Sons Limited on 1st January, 1998.

AUDITORS

The auditors, Messrs. Cobden, Board & Co., have expressed their willingness to continue in office, and a resolution proposing their re-appointment and authorising the directors to agree their remuneration will be submitted at the Annual General Meeting.

The directors have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD


J. R. CARTWRIGHT

SECRETARY

9th February, 1998.

REPORT OF THE AUDITORS

to the Members of WILLIAM NICHOLSON LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors' report, 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 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December, 1997, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Cobden, Board & Co.

COBDEN, BOARD & CO.

Chartered Accountants,
Registered Auditors.

Sheffield & London,
9th February, 1998.

WILLIAM NICHOLSON LIMITEDPROFIT & LOSS ACCOUNTfor the Year ended 31st DECEMBER 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
TURNOVER	2	29,352	354
Cost of sales	2	<u>10,000</u>	<u>-</u>
GROSS PROFIT		39,352	354
Pension scheme surplus repaid	3	<u>54,803</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		94,155	354
Taxation	4	<u>(21,921)</u>	<u>-</u>
RETAINED PROFIT FOR THE YEAR		<u>£72,234</u>	<u>£354</u>

CONTINUING OPERATIONS

The company effectively ceased trading on 31st December, 1992.

TOTAL RECOGNISED GAINS & LOSSES

The company has no recognised gains or losses other than those recognised in the profit & loss account.

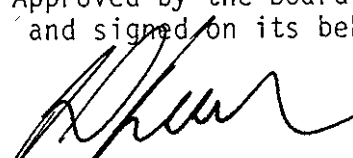
The notes on pages 6 to 8 form part of these financial statements.

WILLIAM NICHOLSON LIMITEDBALANCE SHEETat 31st DECEMBER 1997

	<u>Notes</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
CURRENT ASSETS			
Cash at bank & in hand		-	2,098
CREDITORS: amounts falling due within one year	5	(171,603)	(245,935)
NET CURRENT LIABILITIES		(171,603)	(243,837)
TOTAL NET LIABILITIES		<u>(£171,603)</u>	<u>(£243,837)</u>
CAPITAL & RESERVES			
Called-up share capital	6	493,500	493,500
Profit & loss account	7	(665,103)	(737,337)
SHAREHOLDERS' FUNDS	8	<u>(£171,603)</u>	<u>(£243,837)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 9th February, 1998,
and signed on its behalf.



D. J. LEAH - DIRECTOR

The notes on pages 6 to 8 form part of these financial statements.

WILLIAM NICHOLSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

at 31st DECEMBER 1997

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The accounting policies are consistent with the previous year.

Cash flow

The financial statements do not contain a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

2. TURNOVER & COST OF SALES

The amounts credited to profit & loss account relating to turnover and cost of sales derive respectively from provisions made against sales, and purchases provisions no longer required.

3. PENSION SCHEME SURPLUS

The company operated a pension scheme for its employees up to 31st December, 1992. The scheme's assets were managed independently of the finances of the company. The scheme was in surplus at 31st December, 1992, and this was repaid to the company in June 1997, net of tax at 40%.

4. TAXATION

	<u>1997</u>	<u>1996</u>
Corporation tax on pension fund surplus at 40%	<u>£21,921</u>	<u>£-</u>

WILLIAM NICHOLSON LIMITEDNOTES TO THE FINANCIAL STATEMENTSat 31st DECEMBER 1997

5. CREDITORS: <u>amounts falling due</u> <u>within one year</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
Trade creditors	-	39,247
Secured loans from related parties including accrued interest	171,603	206,688
	<u>£171,603</u>	<u>£245,935</u>

The company has charged all its undertaking, property and assets, both present and future, as security for the loans which are repayable on demand. £35,085 was repaid in the year.

The related parties are George Barlow & Sons Limited and its wholly-owned subsidiary, Cheltenham Shopfitting Company Limited. George Barlow & Sons Limited owns one third of the company's issued ordinary share capital.

6. <u>SHARE CAPITAL</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
Authorised, issued and fully paid:		
70,000 'A' Ordinary shares of 50p each	35,000	35,000
140,000 'B' Ordinary shares of 50p each	70,000	70,000
388,500 10% Cumulative Preference shares of £1 each	388,500	388,500
	<u>£493,500</u>	<u>£493,500</u>

Dividends on the 10% Cumulative Preference shares are nine years in arrears. There is no prospect of these arrears, which amounted to £330,225 at the year end, being paid.

WILLIAM NICHOLSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

at 31st DECEMBER 1997

7. PROFIT & LOSS ACCOUNT

	<u>1997</u> £	<u>1996</u> £
Balance at 1/1/97	(737,337)	(737,691)
Retained profit for the year	<u>72,234</u>	<u>354</u>
Balance at 31/12/97	<u>(£665,103)</u>	<u>(£737,337)</u>

8. RECONCILIATION OF MOVEMENT
IN SHAREHOLDERS' FUNDS

Profit for the financial year being also net addition to shareholders' funds	72,234	354
Balance at 1/1/97	<u>(243,837)</u>	<u>(244,191)</u>
Balance at 31/12/97	<u>(£171,603)</u>	<u>(£243,837)</u>