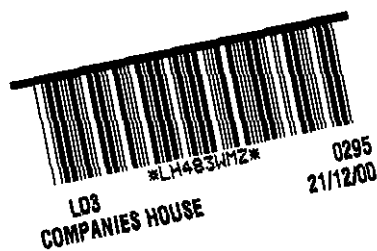


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REGISTERED NUMBER: 790521 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29TH FEBRUARY 2000
FOR
WALLACE WHOLESALE LIMITED



WALLACE WHOLESALE LIMITED

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FOR THE YEAR ENDED 29TH FEBRUARY 2000

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WALLACE WHOLESALE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 29TH FEBRUARY 2000

DIRECTORS:	E A K Pettitt S A Pettitt
SECRETARY:	S A Pettitt
REGISTERED OFFICE:	99 Bond Road Mitcham Surrey CR4 3HG
REGISTERED NUMBER:	790521 (England and Wales)
AUDITORS:	Maurice Apple Chartered Accountants and Registered Auditors 1 Hyde Park Place London W2 2LH
BANKERS:	National Westminster Bank Plc

WALLACE WHOLESALE LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 29TH FEBRUARY 2000

The directors present their report with the financial statements of the company for the year ended 29th February 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of trading in fancy goods and general merchandise.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

An interim dividend of 24.00 per share was paid on 1st February 2000. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 29th February 2000 will be £12,000.

DIRECTORS

The directors during the year under review were:

E A K Pettitt
S A Pettitt

The beneficial interests of the directors holding office on 29th February 2000 in the issued share capital of the company were as follows:

	29.2.00	1.3.99
Ordinary 1 shares		
E A K Pettitt	-	245
S A Pettitt	-	255

DIRECTORS' SHAREHOLDING

During the year, the entire ordinary shareholding issued was transferred to a trust in which the directors are the beneficiaries.

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 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.

AUDITORS

The auditors, Maurice Apple, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



E A K Pettitt - DIRECTOR

Dated:

WALLACE WHOLESALE LIMITED

REPORT OF THE AUDITORS TO
WALLACE WHOLESALE LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages four to twelve together with the full financial statements of the company for the year ended 29th February 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to 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 financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to thirteen are properly prepared in accordance with that provision.



Maurice Apple
Chartered Accountants
and Registered Auditors
1 Hyde Park Place
London
W2 2LH

Dated: 20 December 2000

WALLACE WHOLESALE LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 29TH FEBRUARY 2000

	Notes	2000		1999	
		£	£	£	£
GROSS PROFIT			729,940		566,141
Distribution costs		265,680		261,765	
Administrative expenses		<u>152,953</u>		<u>135,092</u>	
			<u>418,633</u>		<u>396,857</u>
OPERATING PROFIT	3		311,307		169,284
Interest receivable and similar income			<u>13,492</u>		<u>18,090</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			324,799		187,374
Tax on profit on ordinary activities	4		<u>97,753</u>		<u>43,002</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			227,046		144,372
Dividends	5		<u>12,000</u>		<u>12,000</u>
			215,046		132,372
Retained profit brought forward			<u>1,235,680</u>		<u>1,103,308</u>
RETAINED PROFIT CARRIED FORWARD			<u>£1,450,726</u>		<u>£1,235,680</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

WALLACE WHOLESALE LIMITED**ABBREVIATED BALANCE SHEET
29TH FEBRUARY 2000**

		<u>2000</u>		<u>1999</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		622,051		656,520
Investments	7		<u>2,500</u>		<u>2,500</u>
			624,551		659,020
CURRENT ASSETS:					
Stocks	8	549,764		607,391	
Debtors	9	234,429		230,527	
Cash at bank and in hand		<u>517,699</u>		<u>362,968</u>	
		1,301,892		1,200,886	
CREDITORS: Amounts falling due within one year	10	<u>457,770</u>		<u>609,971</u>	
NET CURRENT ASSETS:			<u>844,122</u>		<u>590,915</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,468,673		1,249,935
PROVISIONS FOR LIABILITIES AND CHARGES:	11		<u>17,447</u>		<u>13,755</u>
			<u>£1,451,226</u>		<u>£1,236,180</u>
CAPITAL AND RESERVES:					
Called up share capital	12		500		500
Profit and loss account			<u>1,450,726</u>		<u>1,235,680</u>
SHAREHOLDERS' FUNDS:	14		<u>£1,451,226</u>		<u>£1,236,180</u>

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

ON BEHALF OF THE BOARD:



E A K Pettitt - DIRECTOR

Approved by the Board on

WALLACE WHOLESALE LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 29TH FEBRUARY 2000**

		<u>2000</u>	<u>1999</u>
	Notes	£	£
Net cash inflow from operating activities	1	213,858	143,152
Returns on investments and servicing of finance	2	13,492	18,090
Taxation		(49,535)	(478)
Capital expenditure	2	(14,084)	(9,217)
Equity dividends paid		(24,000)	-
Financing	2	15,000	7,000
Increase/(Decrease) in cash in the period		<u>£154,731</u>	<u>£121,395</u>

Reconciliation of net cash flow to movement in net funds

3

Increase/(Decrease) in cash in the period	<u>154,731</u>	<u>121,395</u>
New Loans Taken in the year	(15,000)	(15,000)
Loan Repayments in the year	-	8,000
Change in net funds resulting from cash flows	<u>(15,000)</u>	<u>7,000</u>
Movement in net funds in the period	154,731	114,395
Net funds at 1st March	<u>227,093</u>	<u>112,698</u>
Net funds at 29th February	<u>£366,824</u>	<u>£227,093</u>

The notes form part of these financial statements

WALLACE WHOLESALE LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 29TH FEBRUARY 2000

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/ FROM OPERATING ACTIVITIES**

	2000 £	1999 £
Operating profit	311,307	169,284
Depreciation charges	40,537	46,261
Loss on sale of fixed assets	8,015	8
Decrease/(Increase) in stocks	57,627	(80,302)
(Increase)/Decrease in debtors	(3,901)	253,215
(Decrease) in creditors	(199,727)	(14,787)
Net cash inflow from operating activities	<u>213,858</u>	<u>143,152</u>

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

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	<u>13,492</u>	<u>18,090</u>
Net cash inflow for returns on investments and servicing of finance	<u>13,492</u>	<u>18,090</u>
Capital expenditure		
Purchase of tangible fixed assets	(14,084)	(11,567)
Sale of tangible fixed assets	<u>-</u>	<u>2,350</u>
Net cash outflow for capital expenditure	<u>(14,084)</u>	<u>(9,217)</u>
Financing		
New loans in the year	15,000	15,000
Loan repayments made during the year	<u>-</u>	<u>(8,000)</u>
Net cash inflow For financing	<u>15,000</u>	<u>7,000</u>

WALLACE WHOLESALE LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 29TH FEBRUARY 2000

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.99 £	Cash flow £	At 29.2.00 £
Net cash:			
Cash at bank and in hand	<u>362,968</u>	<u>154,731</u>	<u>517,699</u>
	<u>362,968</u>	<u>154,731</u>	<u>517,699</u>
Debt due within one year	<u>(135,875)</u>	<u>(15,000)</u>	<u>(150,875)</u>
Total	<u>227,093</u>	<u>139,731</u>	<u>366,824</u>
Analysed in Balance Sheet			
Cash at bank and in hand	<u>362,968</u>		<u>517,699</u>
	<u>362,968</u>		<u>517,699</u>
Creditors: Amounts falling due within one year			
Other Creditors	<u>(135,875)</u>		<u>(150,875)</u>
	<u>(135,875)</u>		<u>(150,875)</u>

WALLACE WHOLESALE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29TH FEBRUARY 2000

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Depreciation

Depreciation has been provided on fixed assets on a basis that will write off their book values within their expected lives using the following rates:

% on written down value

Pre-fabricated buildings	2
Fixtures & fittings	10
Plant	10
Equipment	25
Motor vans	25
Motor cars	25

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. **STAFF COSTS**

	2000 £	1999 £
Wages and salaries	204,650	204,261
Social security costs	<u>18,116</u>	<u>16,974</u>
	<u>222,766</u>	<u>221,235</u>

The average monthly number of employees during the year was as follows:

	2000	1999
Administration	7	7
Sales and Distribution	<u>11</u>	<u>10</u>
	<u>18</u>	<u>17</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	2000 £	1999 £
Depreciation - owned assets	40,537	46,261
Loss on disposal of fixed assets	8,015	8
Auditors' remuneration	<u>7,200</u>	<u>7,200</u>
	<u>22,080</u>	<u>25,960</u>
Directors' emoluments	<u>22,080</u>	<u>25,960</u>

WALLACE WHOLESALE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29TH FEBRUARY 2000

4. **TAXATION**

The tax charge on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
UK corporation tax	94,062	49,535
Interest on late payment	-	14
Overprovision in previous year	-	(2,536)
Deferred taxation	<u>3,691</u>	<u>(4,011)</u>
	<u>97,753</u>	<u>43,002</u>

UK corporation tax has been charged at 29% (1999 - 37%).

5. **DIVIDENDS**

	2000	1999
	£	£
Equity shares:		
Interim dividend paid	<u>12,000</u>	<u>12,000</u>

6. **TANGIBLE FIXED ASSETS**

	Freehold property	Plant and machinery	Furniture and equipment
	£	£	£
COST:			
At 1st March 1999	535,638	36,314	119,054
Disposals	<u>(4,620)</u>	-	-
At 29th February 2000	<u>531,018</u>	<u>36,314</u>	<u>119,054</u>
DEPRECIATION:			
At 1st March 1999	40,157	16,044	60,473
Charge for year	9,850	2,026	5,858
Eliminated on disposals	<u>(1,650)</u>	-	-
At 29th February 2000	<u>48,357</u>	<u>18,070</u>	<u>66,331</u>
NET BOOK VALUE:			
At 29th February 2000	<u>482,661</u>	<u>18,244</u>	<u>52,723</u>
At 28th February 1999	<u>495,481</u>	<u>20,271</u>	<u>58,581</u>

WALLACE WHOLESALE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29TH FEBRUARY 2000

6. **TANGIBLE FIXED ASSETS - continued**

	Motor vehicles	Equipment	Totals
	£	£	£
COST:			
At 1st March 1999	42,240	123,876	857,122
Additions	-	14,084	14,084
Disposals	-	(29,557)	(34,177)
At 29th February 2000	42,240	108,403	837,029
DEPRECIATION:			
At 1st March 1999	18,479	65,450	200,603
Charge for year	5,940	16,863	40,537
Eliminated on disposals	-	(24,512)	(26,162)
At 29th February 2000	24,419	57,801	214,978
NET BOOK VALUE:			
At 29th February 2000	17,821	50,602	622,051
At 28th February 1999	23,761	58,426	656,520

7. **FIXED ASSET INVESTMENTS**

Investments (neither listed nor unlisted) were as follows:

	2000 £	1999 £
Investments	2,500	2,500

8. **STOCKS**

	2000 £	1999 £
Stock	549,764	607,391

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2000 £	1999 £
Trade debtors	221,452	227,473
Other debtors	12,977	3,054
	234,429	230,527

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2000 £	1999 £
Trade Creditors	171,243	379,379
Other creditors	192,465	169,057
Dividend proposed	-	12,000
Taxation	94,062	46,535
Advance corporation tax	-	3,000
	457,770	609,971

11. **PROVISIONS FOR LIABILITIES AND CHARGES**

	2000 £	1999 £
Deferred taxation	17,447	13,755

WALLACE WHOLESALE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29TH FEBRUARY 2000

11. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred taxation
	£
Balance at 1st March 1999	13,755
Transferred to Profit and Loss Account	3,692
Balance at 29th February 2000	<u>17,447</u>

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2000	1999
			£	£
500	Ordinary	1	<u>500</u>	<u>500</u>

13. TRANSACTIONS WITH DIRECTORS

The following transactions occurred during the year on the company's loan account with Gaymorn Investment Company Limited, which is controlled by E & S Pettitt.

	£
Balance owing at 01/03/99	133,000
Management Fees charged in year	15,000
Balance owing at 29/2/00	148,000

The loan is included with Creditors: amounts falling due within one year.

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the financial year	227,046	144,372
Dividends	<u>(12,000)</u>	<u>(12,000)</u>
Net addition to shareholders' funds	215,046	132,372
Opening shareholders' funds	<u>1,236,180</u>	<u>1,103,808</u>
Closing shareholders' funds	<u>1,451,226</u>	<u>1,236,180</u>
Equity interests	<u>1,451,226</u>	<u>1,236,180</u>