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REGISTERED NUMBER: 790521 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2001

FOR

WALLACE WHOLESALE LIMITED



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COMPANIES HOUSE 08/03/02

WALLACE WHOLESALE LIMITED

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FOR THE YEAR ENDED 28TH FEBRUARY 2001

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WALLACE WHOLESALE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 28TH FEBRUARY 2001

DIRECTORS:	E A K Pettitt S A Pettitt
SECRETARY:	S A Pettitt
REGISTERED OFFICE:	12 Mospey Crescent Epsom Surrey KT17 4LZ
REGISTERED NUMBER:	790521 (England and Wales)
AUDITORS:	Maurice Apple Chartered Accountants and Registered Auditors 1 Hyde Park Place London W2 2LH

WALLACE WHOLESALE LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28TH FEBRUARY 2001

The directors present their report with the financial statements of the company for the year ended 28th February 2001.

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 per share was paid during the year. The dirctors recommend a final dividend of £100 per share. The total distribution of dividends for the year ended 28th February 2001 will be £64,000.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors during the year under review were:

E A K Pettitt
S A Pettitt

The directors holding office at 28th February 2001 did not hold any beneficial interest in the issued share capital of the company at 1st March 2000 or 28th February 2001.

DIRECTORS' SHAREHOLDING
During the year to the 28th February 2000, 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: 24th July 2001

WALLACE WHOLESALE LIMITED

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

We have examined the abbreviated financial statements on pages four to thirteen, together with the full financial statements of the company for the year ended 28th February 2001 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 audit 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: 26 February 2002

WALLACE WHOLESALE LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28TH FEBRUARY 2001

	Notes	2001 £	2001 £	2000 £	2000 £
GROSS PROFIT			**775,163**		729,940
Distribution costs		**304,309**		265,680	
Administrative expenses		**155,243**		152,953	
			459,552		418,633
OPERATING PROFIT	3		**315,611**		311,307
Interest receivable and similar income			**24,918**		13,492
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			**340,529**		324,799
Tax on profit on ordinary activities	4		**95,720**		97,753
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			**244,809**		227,046
Dividends	5		**64,000**		12,000
			180,809		215,046
Retained profit brought forward			**1,450,726**		1,235,680
RETAINED PROFIT CARRIED FORWARD			**£1,631,535**		£1,450,726

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.

The notes form part of these financial statements

WALLACE WHOLESALE LIMITED

ABBREVIATED BALANCE SHEET
28TH FEBRUARY 2001

	Notes	2001 £	2001 £	2000 £	2000 £
FIXED ASSETS:					
Tangible assets	6		**587,457**		622,051
Investments	7		**2,500**		2,500
			589,957		624,551
CURRENT ASSETS:					
Stocks	8	**646,342**		549,764	
Debtors	9	**287,548**		234,429	
Cash at bank and in hand		**676,300**		517,699	
		1,610,190		1,301,892	
CREDITORS: Amounts falling due within one year	10	**552,112**		457,770	
NET CURRENT ASSETS:			**1,058,078**		844,122
TOTAL ASSETS LESS CURRENT LIABILITIES:			**1,648,035**		1,468,673
PROVISIONS FOR LIABILITIES AND CHARGES:	11		**16,000**		17,447
			£1,632,035		£1,451,226
CAPITAL AND RESERVES:					
Called up share capital	12		**500**		500
Profit and loss account			**1,631,535**		1,450,726
SHAREHOLDERS' FUNDS:	15		**£1,632,035**		£1,451,226

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 24th July 2001

The notes form part of these financial statements

WALLACE WHOLESALE LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 28TH FEBRUARY 2001

	Notes	2001 £	2000 £
Net cash inflow from operating activities	1	**244,103**	**213,858**
Returns on investments and servicing of finance	2	**24,918**	13,492
Taxation		**(93,826)**	(49,535)
Capital expenditure	2	**(2,594)**	(14,084)
Equity dividends paid		**(14,000)**	(24,000)
Increase in cash in the period		**£158,601**	**£154,731**

	Notes		
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		**158,601**	**154,731**
Change in net funds resulting from cash flows		**158,601**	154,731
Movement in net funds in the period		**158,601**	**154,731**
Net funds at 1st March		**517,699**	**362,968**
Net funds at 28th February		**£676,300**	**£517,699**

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 28TH FEBRUARY 2001

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

	2001 £	2000 £
Operating profit	315,611	311,307
Depreciation charges	37,187	40,537
Loss on sale of fixed assets	-	8,015
(Increase)/Decrease in stocks	(96,578)	57,627
Decrease/(Increase) in debtors	(53,119)	(3,901)
(Decrease)/Increase in creditors	41,002	199,727
Net cash inflow from operating activities	244,102	213,858

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

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	24,918	13,492
Net cash inflow for returns on investments and servicing of finance	24,918	13,492
Capital expenditure		
Purchase of tangible fixed assets	(2,594)	(14,084)
Net cash outflow for capital expenditure	(2,594)	(14,084)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.00 £	Cash flow £	At 28.2.01 £
Net cash:			
Cash at bank and in hand	517,699	158,601	676,300
	517,699	158,601	676,300
Total	517,699	158,601	676,300
Analysed in Balance Sheet			
Cash at bank and in hand	517,699		676,300
	517,699		676,300

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2001

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

	2001	2000
	£	£
Wages and salaries	**250,876**	204,650
Social security costs	**23,387**	18,116
	274,263	222,766

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

	2001	2000
Administration	**4**	7
Sales and Distribution	**9**	11
	13	18

3. OPERATING PROFIT

The operating profit is stated after charging:

	2001	2000
	£	£
Leasing costs	**612**	-
Depreciation - owned assets	**37,187**	40,537
Loss on disposal of fixed assets	**-**	8,015
Auditors' remuneration	**10,900**	7,200
Directors' emoluments	**29,440**	22,080

4. TAXATION

Analysis of the tax charge

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

	2001 £	2000 £
Current tax:		
UK corporation tax	**97,167**	94,062
Deferred tax:		
Deferred taxation	**(1,447)**	3,691
Tax on profit on ordinary activities	**95,720**	97,753

UK corporation tax has been charged at 30% (2000 - 29%).

5. DIVIDENDS

	2001 £	2000 £
Equity shares:		
Interim dividend paid	**-**	12,000
Final dividend paid	**64,000**	-
	64,000	12,000

6. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Furniture and equipment
	£	£	£
COST:			
At 1st March 2000	**531,018**	**36,314**	**119,054**
Additions	**-**	**2,248**	**-**
At 28th February 2001	**531,018**	**38,562**	**119,054**
DEPRECIATION:			
At 1st March 2000	**48,357**	**18,070**	**66,331**
Charge for year	**9,653**	**5,073**	**5,272**
At 28th February 2001	**58,010**	**23,143**	**71,603**
NET BOOK VALUE:			
At 28th February 2001	**473,008**	**15,419**	**47,451**
At 29th February 2000	482,661	18,244	52,723

6. **TANGIBLE FIXED ASSETS - continued**

	Motor vehicles	Equipment	Totals
	£	£	£
COST:			
At 1st March 2000	**42,240**	**108,402**	**837,028**
Additions	**-**	**346**	**2,594**
At 28th February 2001	**42,240**	**108,748**	**839,622**
DEPRECIATION:			
At 1st March 2000	**24,419**	**57,801**	**214,978**
Charge for year	**4,455**	**12,734**	**37,187**
At 28th February 2001	**28,874**	**70,535**	**252,165**
NET BOOK VALUE:			
At 28th February 2001	**13,366**	**38,213**	**587,457**
At 29th February 2000	17,821	50,602	622,051

7. **FIXED ASSET INVESTMENTS**

Investments (neither listed nor unlisted) were as follows:

	2001	2000
	£	£
Investments	**2,500**	2,500

8. **STOCKS**

	2001	2000
	£	£
Stock	**646,342**	549,764

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

	2001	2000
	£	£
Trade debtors	**272,144**	221,452
Other debtors	**15,404**	12,977
	287,548	234,429

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

	2001	2000
	£	£
Trade Creditors	**181,222**	171,243
Other creditors	**223,487**	192,465
Dividend proposed	**50,000**	-
Taxation	**97,403**	94,062
	552,112	457,770

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2001	2000
	£	£
Deferred taxation	**16,000**	17,447

	Deferred tax
	£
Balance at 1st March 2000	**17,447**
Transferred to Profit and Loss Account	**(1,447)**
Balance at 28th February 2001	**16,000**

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2001 £	2000 £
500	Ordinary	1	**500**	500

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 01/03/00	148,000
Management Fees charged in year	15,000
Payment of Management Fees	(15,000)
Balance owing at 28/2/01	148,000

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

14. POST BALANCE SHEET EVENTS

On the 25th May 2001, all Stock, and Fixed Assets with a Net Book Value of £76,487.07, was sold by the company.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Profit for the financial year	**244,809**	227,046
Dividends	**(64,000)**	(12,000)
Net addition to shareholders' funds	**180,809**	215,046
Opening shareholders' funds	**1,451,226**	1,236,180
Closing shareholders' funds	**1,632,035**	1,451,226
Equity interests	**1,632,035**	1,451,226