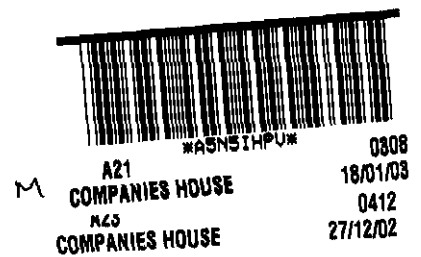


ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2002
FOR
WALLACE WHOLESALE LIMITED



WALLACE WHOLESALE LIMITED

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FOR THE YEAR ENDED 28TH FEBRUARY 2002

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WALLACE WHOLESALE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 28TH FEBRUARY 2002

DIRECTORS:

E A K Pettitt
S A Pettitt

SECRETARY:

S A Pettitt

REGISTERED OFFICE:

12 Mospey Crescent
Epsom
Sutton
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 2002

The directors present their report with the financial statements of the company for the year ended 28th February 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a property investment company.

REVIEW OF BUSINESS

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

On 25 May 2001, the company sold its fancy goods and general merchandise trade and retained the freehold property which it let to the purchaser of the business.

DIVIDENDS

No dividends will be distributed for the year ended 28th February 2002.

DIRECTORS

The directors during the year under review were:

E A K Pettitt
S A Pettitt

The directors holding office at 28th February 2002 did not hold any beneficial interest in the issued share capital of the company at 1st March 2001 or 28th February 2002.

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: 26th November 2002

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 2002 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

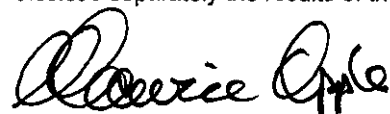
In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to thirteen are properly prepared in accordance with that provision.

Other information

On 26th November 2002 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 28th February 2002 prepared under Section 226 of the Companies Act 1985, and our report included the following paragraph:

Non Compliance with FRS3 Reporting Financial Performance

As stated in the Profit and Loss Account the directors consider that it would not be in the shareholders' interests to disclose separately the results of the discontinued trade. This is departure from FRS3, with which we concur."



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

Dated: 26th November 2002

WALLACE WHOLESALE LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28TH FEBRUARY 2002

	Notes	2002		2001	
		£	£	£	£
GROSS PROFIT			381,602		775,163
Distribution costs		52,890		304,309	
Administrative expenses		96,635		155,243	
			149,525		459,552
OPERATING PROFIT	3		232,077		315,611
Interest receivable and similar income			34,877		24,918
			266,954		340,529
Interest payable and similar charges	4		845		-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			266,109		340,529
Tax on profit on ordinary activities	5		68,903		95,720
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			197,206		244,809
Dividends	6		-		64,000
			197,206		180,809
Retained profit brought forward			1,631,535		1,450,726
RETAINED PROFIT CARRIED FORWARD			£1,828,741		£1,631,535

CONTINUING OPERATIONS

1. On 25 May 2001, the company sold its fancy goods and general merchandise trade and retained the freehold property which it let to the purchaser of the business.
2. The Company became a small company for the purposes of FRS3 on 1 March 2002.
3. The directors consider that the disclosure of the results of these discontinued operations would not be in the shareholders' interests. This represents departure from the standard.

WALLACE WHOLESALE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 28TH FEBRUARY 2002

	<u>2002</u>	<u>2001</u>
	£	£
PROFIT FOR THE FINANCIAL YEAR	197,206	244,809
Revaluation of freehold property	<u>266,992</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>£464,198</u>	<u>£244,809</u>

WALLACE WHOLESALE LIMITED**ABBREVIATED BALANCE SHEET****28TH FEBRUARY 2002**

		<u>2002</u>		<u>2001</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		741,238		587,457
Investments	8		<u>2,500</u>		<u>2,500</u>
			743,738		589,957
CURRENT ASSETS:					
Stocks	9		-	646,342	
Debtors	10	351,019		287,548	
Cash at bank and in hand		<u>1,140,798</u>		<u>676,300</u>	
		1,491,817		1,610,190	
CREDITORS: Amounts falling due within one year	11	<u>139,322</u>		<u>552,112</u>	
NET CURRENT ASSETS:			<u>1,352,495</u>		<u>1,058,078</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,096,233		1,648,035
PROVISIONS FOR LIABILITIES AND CHARGES:	12		-		<u>16,000</u>
			<u>£2,096,233</u>		<u>£1,632,035</u>
CAPITAL AND RESERVES:					
Called up share capital	13		500		500
Revaluation reserve	14		266,992		-
Profit and loss account			<u>1,828,741</u>		<u>1,631,535</u>
SHAREHOLDERS' FUNDS:	15		<u>£2,096,233</u>		<u>£1,632,035</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 26th November 2002

WALLACE WHOLESALE LIMITED**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 28TH FEBRUARY 2002

		<u>2002</u>	<u>2001</u>
	Notes	£	£
Net cash inflow from operating activities	1	642,654	244,103
Returns on investments and servicing of finance	2	34,032	24,918
Taxation		(95,976)	(93,826)
Capital expenditure	2	81,788	(2,594)
Equity dividends paid		<u>(50,000)</u>	<u>(14,000)</u>
		612,498	158,601
Financing	2	<u>(148,000)</u>	-
Increase in cash in the period		<u>£464,498</u>	<u>£158,601</u>

Reconciliation of net cash flow to movement in net funds

3

Increase in cash in the period	<u>464,498</u>	<u>158,601</u>
Change in net funds resulting from cash flows	<u>464,498</u>	<u>158,601</u>
Movement in net funds in the period	464,498	158,601
Net funds at 1st March	<u>676,300</u>	<u>517,699</u>
Net funds at 28th February	<u>£1,140,798</u>	<u>£676,300</u>

WALLACE WHOLESALE LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 28TH FEBRUARY 2002**

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

	2002 £	2001 £
Operating profit	232,077	315,611
Depreciation charges	412	37,187
Loss on sale of fixed assets	31,011	-
Decrease/(Increase) in stocks	646,342	(96,578)
Increase in debtors	(63,471)	(53,119)
(Decrease)/Increase in creditors	<u>(203,717)</u>	<u>41,002</u>
Net cash inflow from operating activities	<u>642,654</u>	<u>244,103</u>

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

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	34,877	24,918
Interest paid	<u>(845)</u>	<u>-</u>
Net cash inflow for returns on investments and servicing of finance	<u>34,032</u>	<u>24,918</u>
Capital expenditure		
Purchase of tangible fixed assets	(1,650)	(2,594)
Sale of tangible fixed assets	<u>83,438</u>	<u>-</u>
Net cash inflow/(outflow) for capital expenditure	<u>81,788</u>	<u>(2,594)</u>
Financing		
Loan repayments in year	<u>(148,000)</u>	<u>-</u>
Net cash outflow from financing	<u>(148,000)</u>	<u>-</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.01 £	Cash flow £	At 28.2.02 £
Net cash:			
Cash at bank and in hand	<u>676,300</u>	<u>464,498</u>	<u>1,140,798</u>
	<u>676,300</u>	<u>464,498</u>	<u>1,140,798</u>
Total	<u>676,300</u>	<u>464,498</u>	<u>1,140,798</u>
Analysed in Balance Sheet			
Cash at bank and in hand	<u>676,300</u>		<u>1,140,798</u>
	<u>676,300</u>		<u>1,140,798</u>

WALLACE WHOLESALE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2002

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Equipment - 25% on reducing balance

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Investment property

In accordance with SSAP19 investment property is revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve with the exception of any permanent diminution below historic cost which is taken to the profit and loss account. No depreciation is provided in respect of investment property. The companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that, because these properties are not held for consumption, but their investment potential, to depreciate them would not give a true and fair view, and it is necessary to adopt SSAP19 in order to give a true and fair view. If this departure from the ACT had not been made, the profit for the financial year would have been reduced by depreciation charge in respect of the investment property.

2. **STAFF COSTS**

	2002	2001
	£	£
Wages and salaries	54,583	250,876
Social security costs	<u>3,253</u>	<u>23,387</u>
	<u>57,836</u>	<u>274,263</u>

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

	2002	2001
Administration	4	4
Sales and Distribution	<u>9</u>	<u>9</u>
	<u>13</u>	<u>13</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	2002	2001
	£	£
Leasing costs	40	612
Depreciation - owned assets	412	37,187
Loss on disposal of fixed assets	31,011	-
Auditors' remuneration	<u>9,200</u>	<u>10,900</u>
	<u>14,673</u>	<u>29,440</u>

WALLACE WHOLESALE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2002

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	2002 £	2001 £
Interest payable	<u>845</u>	<u>-</u>

5. **TAXATION**

Analysis of the tax charge

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

	2002 £	2001 £
Current tax:		
UK corporation tax	84,903	97,167
Deferred tax:		
Deferred taxation	<u>(16,000)</u>	<u>(1,447)</u>
Tax on profit on ordinary activities	<u>68,903</u>	<u>95,720</u>

UK corporation tax has been charged at 30% (2001 - 30%).

6. **DIVIDENDS**

	2002 £	2001 £
Equity shares:		
Final dividend paid	<u>-</u>	<u>64,000</u>

7. **TANGIBLE FIXED ASSETS**

	<u>Investment property</u>	<u>Plant and machinery</u>	<u>Furniture and equipment</u>
	£	£	£
COST OR VALUATION:			
At 1st March 2001	531,018	38,562	119,054
Disposals	-	(38,562)	(119,054)
Surplus on revaluation	<u>208,982</u>	<u>-</u>	<u>-</u>
At 28th February 2002	<u>740,000</u>	<u>-</u>	<u>-</u>
DEPRECIATION:			
At 1st March 2001	58,010	23,143	71,603
Eliminated on disposals	-	(23,143)	(71,603)
Revaluation adjustment	<u>(58,010)</u>	<u>-</u>	<u>-</u>
At 28th February 2002	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE:			
At 28th February 2002	<u>740,000</u>	<u>-</u>	<u>-</u>
At 28th February 2001	<u>473,008</u>	<u>15,419</u>	<u>47,451</u>

WALLACE WHOLESALE LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2002**

7. TANGIBLE FIXED ASSETS - continued

	<u>Motor vehicles</u>	<u>Equipment</u>	<u>Totals</u>
	£	£	£
COST OR VALUATION:			
At 1st March 2001	42,240	108,748	839,622
Additions	-	1,650	1,650
Disposals	(42,240)	(108,748)	(308,604)
Surplus on revaluation	-	-	208,982
	<u>-</u>	<u>-</u>	<u>208,982</u>
At 28th February 2002	<u>-</u>	<u>1,650</u>	<u>741,650</u>
DEPRECIATION:			
At 1st March 2001	28,874	70,535	252,165
Charge for year	-	412	412
Eliminated on disposals	(28,874)	(70,535)	(194,155)
Revaluation adjustment	-	-	(58,010)
	<u>-</u>	<u>-</u>	<u>(58,010)</u>
At 28th February 2002	<u>-</u>	<u>412</u>	<u>412</u>
NET BOOK VALUE:			
At 28th February 2002	<u>-</u>	<u>1,238</u>	<u>741,238</u>
At 28th February 2001	<u>13,366</u>	<u>38,213</u>	<u>587,457</u>

Cost or valuation at 28th February 2002 is represented by:

	<u>Investment property</u>	<u>Equipment</u>	<u>Totals</u>
	£	£	£
Valuation in 2002	266,992	-	266,992
Cost	<u>473,008</u>	<u>1,650</u>	<u>474,658</u>
	<u>740,000</u>	<u>1,650</u>	<u>741,650</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2002 £	2001 £
Cost	<u>531,018</u>	<u>531,018</u>

Freehold land and buildings were valued on an open market basis on 28th February 2002 by the Directors.

8. FIXED ASSET INVESTMENTS

	£
COST:	
At 1st March 2001 and 28th February 2002	<u>2,500</u>
NET BOOK VALUE:	
At 28th February 2002	<u>2,500</u>
At 28th February 2001	<u>2,500</u>

WALLACE WHOLESALE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2002

8. **FIXED ASSET INVESTMENTS - continued**

	2002	2001
	£	£
Unlisted investments	<u>2,500</u>	<u>2,500</u>

9. **STOCKS**

	2002	2001
	£	£
Stock	<u>-</u>	<u>646,342</u>

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

	2002	2001
	£	£
Trade debtors	351,019	272,144
Other debtors	<u>-</u>	<u>15,404</u>
	<u>351,019</u>	<u>287,548</u>

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

	2002	2001
	£	£
Trade Creditors	14,500	181,222
Other creditors	38,492	223,487
Dividend proposed	-	50,000
Taxation	<u>86,330</u>	<u>97,403</u>
	<u>139,322</u>	<u>552,112</u>

12. **PROVISIONS FOR LIABILITIES AND CHARGES**

	2002	2001
	£	£
Deferred taxation	<u>-</u>	<u>16,000</u>

	Deferred tax
	£
Balance at 1st March 2001	16,000
Decrease in provision	<u>(16,000)</u>
Balance at 28th February 2002	<u>-</u>

13. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:			2002	2001
Number:	Class:	Nominal value:	£	£
500	Ordinary	1	<u>500</u>	<u>500</u>

WALLACE WHOLESALE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2002

14. **REVALUATION RESERVE**

	2002	2001
	£	£
Revaluation of property	<u>266,992</u>	<u>-</u>

No provision for taxation has been made in these accounts in respect of the unrealised surplus on revaluation of investment property. Had the provision made, it would have amounted to £36,000 calculated on the liability method.

15. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2002	2001
	£	£
Profit for the financial year	197,206	244,809
Dividends	<u>-</u>	<u>(64,000)</u>
	197,206	180,809
Other recognised gains and losses relating to the year (net)	<u>266,992</u>	<u>-</u>
Net addition to shareholders' funds	464,198	180,809
Opening shareholders' funds	<u>1,632,035</u>	<u>1,451,226</u>
Closing shareholders' funds	<u>2,096,233</u>	<u>1,632,035</u>
Equity interests	<u>2,096,233</u>	<u>1,632,035</u>