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RJW (HOLDINGS) LIMITED

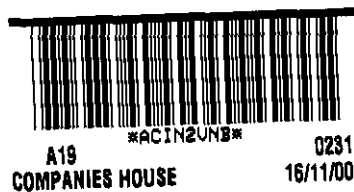
Lenton Lane,
Lenton,
Nottingham.
NG7 2NR

Registered Number 1034216 (England and Wales)

Abbreviated Statement of Accounts

for the

Year Ended 31st January 2000



A.G. GORING AND CO.
"THE LAURELS"
ST. MARY STREET
ILKESTON
DERBYSHIRE
DE7 8BQ

RJW (HOLDINGS) LIMITED

DIRECTORS: Mr. M.J. Walters (Chairman)
Mrs. J.M.E. Walters

SECRETARY: Mrs. J.M.E. Walters

REGISTERED OFFICE: Lenton Lane,
Lenton,
Nottingham.
NG7 2NR

ANNUAL REPORT AND ABBREVIATED ACCOUNTS

YEAR ENDED 31ST JANUARY 2000

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RJW (HOLDINGS) LIMITED

Report of the Directors

The directors present their report with the accounts of the Company for the year ended 31st January 2000.

REVIEW OF BUSINESS

The principle activity of the Company in the period was the provision of management services to the subsidiary company.

The Profit and Loss Account on page 5 gives a summary of the period's trading and the directors consider the profit achieved on ordinary activities to be satisfactory under the prevailing trading conditions. It is anticipated that there will be a stabilisation in the Company's activities.

Adequate finance is available to take advantage of business opportunities and future development.

The directors have considered the potential impact of the Year 2000 date recognition problems upon the Company. In their opinion existing systems and processes proved to be Millenium compliant.

DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

The directors are obliged under company law to prepare financial statements for each financial year and to present them annually to the Company's members in Annual General Meeting.

The financial statements, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of the Company's affairs at the end of the financial year, and of the results for that period, and they must comply with applicable accounting standards.

The directors are also responsible for the adoption of suitable accounting policies and their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The financial statements will be prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that the above requirements have been complied with in the financial statements.

In addition, the directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Company and to prevent and detect fraud or other irregularities.

RJW (HOLDINGS) LIMITED

DIVIDENDS

Dividends totalling £88000 were paid during the year. This amounted to £14.67 per share.

No further dividend is recommended.

DIRECTORS

The directors in office during the year and their beneficial interest in the issued ordinary share capital were as follows:

	<u>31.1.2000</u>	<u>31.1.1999</u>
Mr. M.J. Walters	3186	3186
Mrs. J.M.E. Walters	<u>2814</u>	<u>2814</u>
	<u>6000</u>	<u>6000</u>

In accordance with the Articles of Association, Mrs. J.M.E. Walters retires by rotation and is eligible for re-election.

Both directors are also directors of a wholly owned subsidiary company Walters Wholesale (Nottingham) Ltd.

FIXED ASSETS

Transactions in fixed assets during the year are recorded in the accounts.

AUDITORS

The auditors, A.G. Goring and Co., are eligible for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on Behalf of the
Board of Directors

..........

Mrs. J.M.E. Walters
Secretary

..... 31st OCTOBER 2000

REGISTERED OFFICE:-

Lenton Lane,
Lenton,
Nottingham.
NG7 2NR

Report of the Auditors to the Directors of

RJW (HOLDINGS) LIMITED

(Pursuant to Section 247B of the Companies Act 1985)

We have examined the abbreviated accounts on pages 5 to 18 together with the audited financial statements of the RJW (Holdings) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st January 2000.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A(3) of the Companies Act 1985. It is our responsibility to form an independent opinion as to the Company's entitlement to deliver abbreviated accounts and whether the abbreviated accounts have been properly prepared in accordance with that section.

BASIS OF OPINION

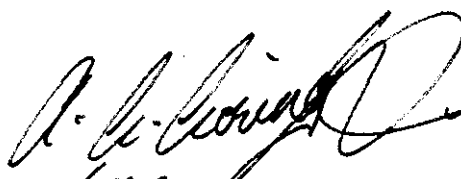
We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the Company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 under Sections 246, 247 and 249 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act in respect of the year ended 31st January 2000 and the abbreviated accounts on pages 5 to 18 have been properly prepared in accordance with that section.

Registered Auditors

Date


1st November 2000

A.G. GORING AND CO.,
Chartered Accountants,
"The Laurels,
St. Mary Street,
Ilkeston,
Derbyshire.
DE7 8BQ

RJW (HOLDINGS) LIMITED
Abbreviated Profit and Loss Account
for the Year Ended 31st January 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
<u>GROSS PROFIT</u>		77836	39394
Administrative Costs		<u>106802</u>	<u>72485</u>
		<u>106802</u>	<u>72485</u>
<u>OPERATING (LOSS)</u>	4	(28966)	(33091)
Other Operating Income	5	108000	108000
Income from Other Fixed Asset Investments	6	97778	62500
Other Interest Receivable	7	<u>89271</u>	<u>87012</u>
		<u>295049</u>	<u>257512</u>
Interest Payable	8	<u>266083</u> <u>8500</u>	<u>224421</u> <u>-</u>
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u>		257583	224421
<u>TAXATION</u>			
Corporation Tax on the Income for the Year	9	39840	39205
Tax on Franked Investment Income		<u>9778</u>	<u>12500</u>
		<u>49618</u>	<u>51705</u>
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES AFTER TAXATION</u>		207965	172716
<u>DIVIDENDS</u>	11	<u>88000</u>	<u>88000</u>
<u>RETAINED PROFIT FOR THE YEAR</u>		<u>119965</u>	<u>84716</u>

RJW (HOLDINGS) LIMITED

Statement of Total Recognised Gains and Losses

for the Year Ended 31st January 2000

	<u>2000</u>	<u>1999</u>
Profit on Ordinary Activities after Taxation:	<u>207965</u>	<u>172716</u>
Total Recognised Gains and Losses Relating to the Year	207965	<u>172716</u>
Prior Year Adjustment (see note 10)	<u>(60882)</u>	
Total Gains and Losses Recognised Since the Last Annual Report	<u>147083</u>	

Note of Historical Cost Profit and Losses

for the Year Ended 31st January 2000

	<u>2000</u>	<u>1999</u>
Reported Profit on Ordinary Activities before Taxation	257583	224421
Difference Between an Historical Cost Depreciation Charge and the Actual Depreciation Charge of the Year Calculated on the Revalued Amount	<u>5906</u>	<u>5906</u>
Historical Cost Profit on Ordinary Activities before Taxation	<u>263489</u>	<u>230327</u>
Historical Cost Profit for the Year Retained after Taxation, Minority Interests, Extraordinary Items and Dividends	<u>125871</u>	<u>90622</u>

RJW (HOLDINGS) LIMITED

Abbreviated Balance Sheet as at 31st January 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u> <u>Re-Stated</u>
<u>FIXED ASSETS</u>			
Tangible	12	618226	627840
Investments	13,14	<u>2</u>	<u>2</u>
		618228	627842
<u>CURRENT ASSETS</u>			
Owed by Group Companies	13,14,15	1064195	1006386
Bank Balance		<u>254859</u>	<u>122305</u>
		<u>1319054</u>	<u>1128691</u>
<u>LESS CREDITORS DUE WITHIN ONE YEAR</u>			
Trade Creditors		11030	1510
Corporation Tax	9	39709	26705
Other Taxes		55739	18328
Directors Current Accounts	21	<u>20436</u>	<u>19587</u>
		<u>126914</u>	<u>66130</u>
<u>NET CURRENT ASSETS</u>		<u>1192140</u>	<u>1062561</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		1810368	1690403
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>			
Property Maintenance Provision	10	<u>60882</u>	<u>60882</u>
		<u>1749486</u>	<u>1629521</u>

RJW (HOLDINGS) LIMITED

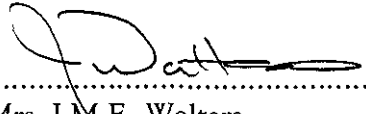
Abbreviated Balance Sheet as at 31st January 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u> <u>Re-Stated</u>
<u>AUTHORISED SHARE CAPITAL</u>			
6000 Ordinary Shares of £1 Each		<u>6000</u>	<u>6000</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital			
6000 Fully Paid Up Ordinary			
Shares of £1 Each	23	6000	6000
Revaluation Reserve	17	331560	337466
Other Distributable Reserves	18	49129	43223
Profit and Loss Account	16	<u>1362797</u>	<u>1242832</u>
	20	<u>1749486</u>	<u>1629521</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium companies.

Signed on Behalf of the Board of Directors

..... Director
Mr. M.J. Walters


..... Director
Mrs. J.M.E. Walters

Approved by the Board 31st October 2000

RJW (HOLDINGS) LIMITED

Cash Flow Statement for the Year Ended 31st January 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
<u>RECONCILIATION OF OPERATING</u>			
<u>PROFIT TO NET CASH INFLOW</u>			
<u>FROM OPERATING ACTIVITIES</u>			
Operating (Loss)		(28966)	(33091)
Other Operating Income		108000	108000
Depreciation Charges		11080	11080
Decrease/(Increase) in Debtors		(46725)	34888
Increase in Creditors		<u>58349</u>	<u>39425</u>
Net Cash Inflow from Operating Activities		<u>101738</u>	<u>160302</u>
<u>CASH FLOW STATEMENT</u>			
Net Cash Inflow from Operating Activities		101738	160302
Returns on Investments and Servicing of Finance	19a	177271	50003
Taxation		(39336)	-
Capital Expenditure	19a	<u>(50)</u>	<u>-</u>
		239623	210305
Equity Dividends Paid		<u>(88000)</u>	<u>(88000)</u>
		151623	122305
Financing	19a	<u>(19069)</u>	<u>-</u>
Increase in Cash		<u>132554</u>	<u>122305</u>
<u>RECONCILIATION OF NET CASH</u>			
<u>FLOW TO MOVEMENT IN NET</u>			
<u>DEBT</u>			
	19b		
Increase in Cash in the Period		132554	122305
Cash to Decrease Directors Current Accounts		19069	-
Directors Net Fees Voted		<u>(19918)</u>	<u>(19587)</u>
Change in Net Funds		131705	102718
Net Funds at 1.2.99		102718	134440
Transferred to Subsidiary Via Loan Capital Account		<u>-</u>	<u>(134440)</u>
Net Funds at 1.2.99 Amended		<u>102718</u>	<u>-</u>
Net Funds at 31.1.00		<u>234423</u>	31.1.99 <u>102718</u>

RJW (HOLDINGS) LIMITED

Notes to the Abbreviated Accounts for the Year Ended 31st January 2000

1) ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of certain assets.

(b) Turnover

Turnover is the total amount receivable by the Company in the ordinary course of business and excludes Value Added Tax.

(c) Tangible Fixed Assets and Amortisation

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

Straight Line

Leasehold Buildings	Over the Period of the Lease
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Leasehold buildings are shown at a valuation made by the directors at 31st January 1997 on the basis of their use in the Company's activities, after applicable amortisation.

(d) Deferred Taxation

No provision for deferred taxation is necessary.

RJW (HOLDINGS) LIMITED

2) STAFF COSTS AND AVERAGE NUMBER OF EMPLOYEES

The aggregate payroll costs of employees, including directors, during the year were as follows:

	<u>2000</u>	<u>1999</u>
Wages and Salaries	55339	53888
Social Security Costs (Including Arrears)	<u>36678</u>	<u>5986</u>
	<u>92017</u>	<u>59874</u>

The average number of persons employed during the year, including directors, were as follows:

	<u>2000</u>	<u>1999</u>
Administration	<u>2</u>	<u>2</u>

Directors Emoluments:

Emoluments (Including Benefits in Kind)	<u>55339</u>	<u>53888</u>
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During the year no directors (1999 – None) were accruing benefits under money purchase schemes.

3) PENSION COSTS

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The pension contributions are now paid to the fund by the subsidiary company.

4) OPERATING (LOSS) is stated after charging:

	<u>2000</u>	<u>1999</u>
Directors Emoluments	55339	53888
Amortisation – Of Owned Assets	11080	11080
Auditors Remuneration – Audit Fees	1000	500
Staff Costs (See note 2)	<u>36678</u>	<u>5986</u>

Staff costs above include an amount of £31005 in respect of arrears of national insurance contributions which have, since the year end, been determined payable in respect of prior years directors bonuses. This amount upon which approximately £10000 in tax relief has been claimed is exceptional in incidence.

RJW (HOLDINGS) LIMITED

5)	<u>OTHER OPERATING INCOME</u>	<u>2000</u>	<u>1999</u>
	Rents Receivable (Net)	<u>108000</u>	<u>108000</u>
6)	<u>INVESTMENT INCOME</u>	<u>2000</u>	<u>1999</u>
	Dividends from Group Company (Gross)	<u>97778</u>	<u>62500</u>
7)	<u>OTHER INTEREST RECEIVABLE</u>	<u>2000</u>	<u>1999</u>
	Bank Deposit (Gross)	2262	3
	Loan to Group Company	<u>87009</u>	<u>87009</u>
		<u>89271</u>	<u>87012</u>
8)	<u>INTEREST PAYABLE</u>	<u>2000</u>	<u>1999</u>
	On Arrears of National Insurance Contributions	<u>8500</u>	<u>—</u>

9) TAXATION

Corporation Tax is calculated at 20% and 32.5% based on the results of the period.

10) PROVISION FOR PROPERTY MAINTENANCE

A prior period adjustment has been made in the financial statements to reflect an obligation, under the lease for the Company's premises, to repair and maintain those premises.

The extent of the delapidation of the premises up to the date that the subsidiary, under the terms of the sub-lease, took over the obligation to maintain the premises has been derived from a professional review of the premises.

Provision has been made accordingly and the comparative figures re-stated.

Ultimate tax relief in respect of the expenditure provided for is expected to be in the region of £20000.

Provision for Property Maintenance

Opening Balance (Re-stated) 1.2.1999	<u>60882</u>
Closing Balance 31.1.2000	<u>60882</u>

RJW (HOLDINGS) LIMITED

11) DIVIDENDS

During the year the Company paid dividends on the ordinary shares totalling £88000. This amounts to £14.67 per ordinary share.

12) TANGIBLE FIXED ASSETS

	<u>Leasehold Property</u>
Valuation	
At 1.2.1999	650000
Additions	<u>1466</u>
At 31.1.2000	<u>651466</u>
Amortisation	
At 1.2.1999	22160
Charge for Year	<u>11080</u>
At 31.1.2000	<u>33240</u>
Written Down Values	
At 31.1.2000	<u>618226</u>
At 1.2.1999	<u>627840</u>

The historical cost of the leasehold property included above at a valuation of £651466 was £374046 (1999 - £372570) and the aggregate depreciation would have been £87370 (1999 - £82196).

13) FIXED ASSET INVESTMENTS (Unlisted)

	<u>Loan</u>	<u>Share Capital</u>	<u>Total</u>
Cost			
At 1.2.1999 (Re-stated)	<u>NIL</u>	<u>2</u>	<u>2</u>
At 31.1.2000	<u>NIL</u>	<u>2</u>	<u>2</u>

The comparative figures have been re-stated to account for the transfer of the inter-company loan from Fixed Asset Investments to Amounts Owed by Group Companies due within one year. The loan is repayable on demand and repayments are made in the post balance sheet period (see note 22a).

RJW (HOLDINGS) LIMITED

14) SUBSIDIARY UNDERTAKINGS

The Company holds the whole of the share capital of the subsidiary company, Walters Wholesale (Nottingham) Limited, a company incorporated and registered in England and Wales which operates a cash and carry business.

The Company has taken advantage of the exemptions provided by Section 248 Companies Act 1985 and has not produced consolidated accounts. These financial statements refer only to the Parent Company.

The share structure of Walters Wholesale (Nottingham) Limited is as follows:

	<u>£</u>
Nominal Value of Authorised Ordinary Share Capital	1000
Nominal Value of Issued Ordinary Share Capital	<u>2</u>
Nominal Value of Issued Ordinary Share Capital Held by RJW (Holdings) Limited	<u>2</u>

The subsidiary made a profit after taxation for the year ended 31st January 2000 of £269254 (1999 - £240618).

The aggregate amount of capital and reserves of the subsidiary at 31st January 2000 was £371874 (1999 - £190620).

The subsidiary company owed RJW (Holdings) Limited the following amounts at the Balance Sheet date:

	<u>Due Within One Year</u>	
	<u>2000</u>	<u>1999</u> (Re-Stated)
Loan on Transfer of Trade and Assets	966765	966765
Loan Interest, Rent Etc.	<u>97430</u>	<u>39621</u>

RJW (HOLDINGS) LIMITED

15) DEBTORS

All debts are due within one year.

16) PROFIT AND LOSS ACCOUNT

Opening Balance 1.2.1999	1303714	
Prior Period Adjustment re Property Maintenance Provisions	<u>(60882)</u>	
Re-Styled Opening Balance		1242832
Retained Profit for the Year		<u>119965</u>
Closing Balance 31.1.2000		<u>1362797</u>

17) REVALUATION RESERVE

The revaluation reserve arises due to the leasehold property being carried in the balance sheet at an amount in excess of cost.

Opening Balance (Before Attributable Taxation)		380689
Attributable Taxation (No Provision Necessary)		<u>-</u>
		380689
Transfer to Other Distributable Reserves		
Brought Forward	43223	
Current Year	<u>5906</u>	
		<u>49129</u>
Closing Balance		<u>331560</u>

18) OTHER DISTRIBUTABLE RESERVES/AMORTISATION ON REVALUED ASSETS

The effect of providing for amortisation on the revalued amounts of the leasehold property has been to increase the amortisation charged to the Profit and Loss Account by £5906 (1999 - £5906) over that which would have been charged on the historical cost.

This amount constitutes an unrealised loss and has in accordance with the Companies Act and Accounting Standards been transferred from the revaluation reserve to "Other Distributable Reserves".

Other Distributable Reserves

Opening Balance 1.2.1999	43223
Transferred from Revaluation Reserve	<u>5906</u>
Closing Balance 31.1.2000	<u>49129</u>

RJW (HOLDINGS) LIMITED

19) NOTES TO THE CASH FLOW STATEMENT

	<u>2000</u>	<u>1999</u>
a) Gross Cash Flows		
Returns on Investments and Servicing of Finance:		
Dividend Received	88000	50000
Interest Received	<u>89271</u>	<u>3</u>
	<u>177271</u>	<u>50003</u>
Capital Expenditure		
Payments to Acquire Tangible Fixed Assets	<u>50</u>	<u>-</u>
Financing		
Directors Current Account Repayments	(19586)	-
Directors Current Account Advances	<u>517</u>	<u>-</u>
	<u>(19069)</u>	<u>-</u>

b) Analysis of Changes in Net Debt

	<u>At 31.1.1999</u>	<u>Cash</u>	<u>Other</u>	<u>At 31.1.2000</u>
	<u>£</u>	<u>Flows</u>	<u>Changes</u>	<u>£</u>
Cash in Hand, at Bank	122305	132554	-	254859
Debt Due Within One Year	<u>(19587)</u>	<u>19069</u>	<u>(19918)</u>	<u>(20436)</u>
Total	<u>102718</u>	<u>151623</u>	<u>(19918)</u>	<u>234423</u>

RJW (HOLDINGS) LIMITED

20) RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2000</u>	<u>1999</u> <u>Re-Stated</u>
Profit for the Financial Year after Taxation	207965	172716
Dividends	<u>(88000)</u>	<u>(88000)</u>
	119965	84716
Opening Shareholders' Funds at 1.2.1999		1605687
Prior Period Adjustment re Property Maintenance Provision		<u>(60882)</u>
Opening Shareholders' Funds at 1.2.1999 (Re-Stated)	<u>1629521</u>	<u>1544805</u>
Closing Shareholders' Funds at 31.1.2000	<u>1749486</u>	<u>1629521</u>

21) TRANSACTIONS WITH DIRECTORS

During the year the directors made interest free loans to the Company as follows:-

Directors Current Accounts

	<u>Opening Balance</u>	<u>Net Fees</u>	<u>Cash Introduced</u>	<u>Drawings</u>	<u>Closing Balance</u>
Mr. M.J. Walters	10080	10042	-	10080	10042
Mrs. J.M.E. Walters	<u>9507</u>	<u>9877</u>	<u>517</u>	<u>9507</u>	<u>10394</u>
	<u>19587</u>	<u>19919</u>	<u>517</u>	<u>19587</u>	<u>20436</u>

22) RELATED PARTY TRANSACTIONS

- a) Interest of £87009 (1999 - £87009) was charged (at a rate of 9%) to the subsidiary company in respect of outstanding loans and is included in "amounts owed by group company" at the balance sheet date.

£500000 of the outstanding loan was repaid by the subsidiary during the post balance sheet period.

- b) The Company received commercial rental income of £108000 (1999 - £108000) from the subsidiary, in respect of the use of the leasehold property, of this amount £11400 (1999 - £11400) was outstanding at the balance sheet date and is included in "amounts owed by group companies".

RJW (HOLDINGS) LIMITED

- c) The Company also charged the subsidiary with management charges of £77836 (1999 – £39394) during the year.

No amounts were outstanding in this respect at the year end.

23) ULTIMATE CONTROL

The control of the Company rests with the two directors Mr. M.J. Walters and Mrs. J.M.E. Walters who own 3186 and 2814 shares respectively, of the 6000 shares in issue.

24) POST BALANCE SHEET EVENTS

The Company is presently extending the leasehold property at Lenton Lane, Nottingham and during the post balance sheet period has incurred a material amount of expenditure in this respect.

It is anticipated that the total cost of the extension will amount to £120000, and this transaction will not have any taxation consequences.

25) FINANCIAL COMMITMENTS

The Company has entered into no operating leases, under which it is committed to make material payments during the next year.