

**RJW (HOLDINGS) LIMITED**

**Lenton Lane,  
Lenton,  
Nottingham.  
NG7 2NR**

**Registered Number 1034216 (England and Wales)**

**Abbreviated Statement of Accounts**

**for the**

**Year Ended 31<sup>st</sup> January 2002**



**GORINGS  
CHARTERED ACCOUNTANTS  
"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 31<sup>ST</sup> JANUARY 2002**

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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 31<sup>st</sup> January 2002.

#### **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.

#### **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.

#### **DIVIDENDS**

Dividends totalling £136000 were paid during the year. This amounted to £22.67 per share.

No further dividend is recommended.

## RJW (HOLDINGS) LIMITED

### DIRECTORS

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

|                     | <u>31.1.2002</u> | <u>31.1.2001</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

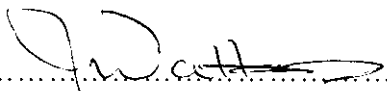
Transactions in fixed assets during the year are recorded in the accounts.

In the opinion of the directors, the value of the Company's freehold land and buildings is not materially different from that shown in the accounts in relation to its use in the Company's trade.

### AUDITORS

The auditors, Gorings, 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* ..... 2002

### REGISTERED OFFICE:-

Lenton Lane,  
Lenton,  
Nottingham.  
NG7 2NR

Independent Auditors Report 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 17 together with the audited financial statements of RJW (Holdings) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31<sup>st</sup> January 2002.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

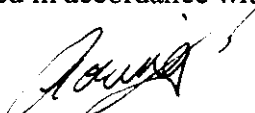
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A(3) of the Companies Act 1985. It is our responsibility to form an independent opinion as to the Company's entitlement to deliver abbreviated accounts and whether the abbreviated accounts have been properly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

**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 Section 246, 247 and 249 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with Sections 246A(3) of the Act in respect of the year ended 31<sup>st</sup> January 2002 and the abbreviated accounts on pages 5 to 17 have been properly prepared in accordance with those provisions.



Registered Auditors

Date *18<sup>th</sup> November 2002*

GORINGS,  
Chartered Accountants,  
"The Laurels",  
St. Mary Street,  
Ilkeston,  
Derbyshire.  
DE7 8BQ

**RJW (HOLDINGS) LIMITED**

**Abbreviated Profit and Loss Account**

**for the Year Ended 31<sup>st</sup> January 2002**

|                                                      | <u>Notes</u> | <u>2002</u>                  | <u>2001</u>                  |
|------------------------------------------------------|--------------|------------------------------|------------------------------|
| <u>GROSS PROFIT</u>                                  |              | 94627                        | 79316                        |
| Administrative Costs                                 |              | <u>71263</u>                 | <u>86663</u>                 |
| <u>OPERATING PROFIT/(LOSS)</u>                       | 4            | 23364                        | (7347)                       |
| Other Operating Income                               | 5            | 140119                       | 108000                       |
| Income from Other Fixed Asset Investments            | 6            | 136000                       | 228000                       |
| Other Interest Receivable                            | 7            | <u>75905</u>                 | <u>82081</u>                 |
|                                                      |              | <u>352024</u>                | <u>418081</u>                |
| Interest Payable                                     | 8            | <u>375388</u><br><u>6272</u> | <u>410734</u><br><u>2146</u> |
| <u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u> |              | 369116                       | 408588                       |
| <u>TAXATION</u>                                      |              |                              |                              |
| U.K. Corporation Tax Profit of the Period            | 9a           | 63435                        | 44240                        |
| Adjustment in Respect of Previous Periods            | 9b           | <u>-</u>                     | <u>(15948)</u>               |
| <u>TOTAL CURRENT TAX</u>                             | 9b           | <u>63435</u>                 | <u>28292</u>                 |
| <u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>  |              | 305681                       | 380296                       |
| <u>DIVIDENDS</u>                                     | 11           | <u>136000</u>                | <u>228000</u>                |
| <u>RETAINED PROFIT FOR THE YEAR</u>                  |              | <u>169681</u>                | <u>152296</u>                |

There are no recognised gains or losses other than the profit for the year.

**RJW (HOLDINGS) LIMITED**

**Abbreviated Balance Sheet as at 31<sup>st</sup> January 2002**

|                                                      | <u>Notes</u> | <u>2002</u>    | <u>2001</u>    |
|------------------------------------------------------|--------------|----------------|----------------|
| <b><u>FIXED ASSETS</u></b>                           |              |                |                |
| Tangible                                             | 12           | 707780         | 720969         |
| Investments                                          | 13,14        | <u>2</u>       | <u>2</u>       |
|                                                      |              | 707782         | 720971         |
| <b><u>CURRENT ASSETS</u></b>                         |              |                |                |
| Owed by Group Companies                              | 14,15        | 542541         | 516418         |
| Bank Balance                                         |              | <u>972517</u>  | <u>878028</u>  |
|                                                      |              | <u>1515058</u> | <u>1394446</u> |
| <b><u>LESS CREDITORS DUE WITHIN ONE YEAR</u></b>     |              |                |                |
| Trade Creditors                                      |              | 9202           | 14083          |
| Corporation Tax                                      | 9            | 63435          | 28292          |
| Other Taxes                                          |              | 24878          | 60771          |
| Directors Current Accounts                           | 21           | -              | 20225          |
| Other Creditors and Accruals                         |              | <u>-</u>       | <u>30502</u>   |
|                                                      |              | <u>97515</u>   | <u>153873</u>  |
| <b><u>NET CURRENT ASSETS</u></b>                     |              | <u>1417543</u> | <u>1240573</u> |
| <b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>  |              | 2125325        | 1961544        |
| <b><u>PROVISIONS FOR LIABILITIES AND CHARGES</u></b> |              |                |                |
| Property Maintenance Provision                       | 10           | <u>53862</u>   | <u>59762</u>   |
|                                                      |              | <u>2071463</u> | <u>1901782</u> |

**RJW (HOLDINGS) LIMITED**

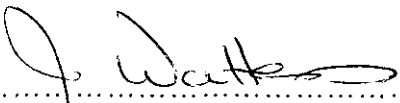
**Abbreviated Balance Sheet as at 31<sup>st</sup> January 2002**

|                                        | <u>Notes</u> | <u>2002</u>    | <u>2001</u>    |
|----------------------------------------|--------------|----------------|----------------|
| <b><u>AUTHORISED SHARE CAPITAL</u></b> |              |                |                |
| 6000 Ordinary Shares of £1 Each        |              | <u>6000</u>    | <u>6000</u>    |
| <b><u>CAPITAL AND RESERVES</u></b>     |              |                |                |
| Called Up Share Capital                |              |                |                |
| 6000 Fully Paid Up Ordinary            |              |                |                |
| Shares of £1 Each                      | 23           | 6000           | 6000           |
| Revaluation Reserve                    | 17           | 319923         | 325812         |
| Other Distributable Reserves           | 18           | 60766          | 54877          |
| Profit and Loss Account                | 16           | <u>1684774</u> | <u>1515093</u> |
|                                        | 20           | <u>2071463</u> | <u>1901782</u> |

The accounts have been prepared in accordance with the special provision 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 2002

# RJW (HOLDINGS) LIMITED

## Cash Flow Statement for the Year Ended 31<sup>st</sup> January 2002

|                                                                    | <u>Notes</u> | <u>2002</u>     | <u>2001</u>     |
|--------------------------------------------------------------------|--------------|-----------------|-----------------|
| <u>RECONCILIATION OF OPERATING</u>                                 |              |                 |                 |
| <u>PROFIT TO NET CASH INFLOW</u>                                   |              |                 |                 |
| <u>FROM OPERATING ACTIVITIES</u>                                   |              |                 |                 |
| Operating Profit/(Loss)                                            |              | 23364           | (7347)          |
| Other Operating Income                                             |              | 140119          | 108000          |
| Depreciation Charges                                               |              | 13189           | 11080           |
| Decrease/(Increase) in Debtors                                     |              | (40544)         | 10066           |
| (Decrease)/Increase in Creditors                                   |              | (38481)         | <u>29256</u>    |
| Net Cash Inflow from Operating Activities                          |              | <u>97647</u>    | <u>151055</u>   |
| <u>CASH FLOW STATEMENT</u>                                         |              |                 |                 |
| Net Cash Inflow from Operating Activities                          |              | 97647           | 151055          |
| Returns on Investments and Servicing of Finance                    | 19a          | 211861          | 344479          |
| Taxation                                                           |              | (28292)         | (39709)         |
| Capital Expenditure                                                | 19a          | <u>(30502)</u>  | <u>(84737)</u>  |
|                                                                    |              | 250714          | 371088          |
| Equity Dividends Paid                                              |              | (136000)        | (228000)        |
| Management of Liquid Resources                                     | 19a          | <u>(200000)</u> | <u>(550000)</u> |
|                                                                    |              | (85286)         | (406912)        |
| Financing                                                          | 19a          | <u>(20225)</u>  | <u>480081</u>   |
| (Decrease)/Increase in Cash                                        |              | <u>(105511)</u> | <u>73169</u>    |
| <u>RECONCILIATION OF NET CASH</u>                                  |              |                 |                 |
| <u>FLOW TO MOVEMENT IN NET</u>                                     |              |                 |                 |
| <u>DEBT</u>                                                        |              |                 |                 |
|                                                                    | 19b          |                 |                 |
| (Decrease)/Increase in Cash in the Period                          |              | (105511)        | 73169           |
| Cash Repaying Directors Current Accounts                           |              | 20225           | 19919           |
| Directors Net Fees Voted                                           |              | -               | (19708)         |
| Cash Paid to Increase Liquid Resources (Current Asset Investments) |              | <u>200000</u>   | <u>550000</u>   |
| Change in Net Funds                                                |              | 114714          | 623380          |
| Net Funds at 1.2.2001                                              |              | <u>857803</u>   | <u>234423</u>   |
| Net Funds at 31.1.2002                                             |              | <u>972517</u>   | <u>857803</u>   |

## **RJW (HOLDINGS) LIMITED**

### **Notes to the Abbreviated Accounts for the Year Ended 31<sup>st</sup> January 2002**

#### **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 Depreciation**

Depreciation 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

The Company is following the transitional provisions of the Financial Reporting Standard. The valuation of the buildings has not been updated and is shown at a valuation made by the directors on 31<sup>st</sup> January 1997 plus subsequent expenditure.

##### **(d) Deferred Taxation**

No provision for deferred taxation is necessary. There is no material unprovided deferred taxation.

##### **(e) Pension Costs**

Contributions to the defined contribution pension scheme are charged to the Profit and Loss Account as incurred.

## 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>2002</u>  | <u>2001</u>  |
|-----------------------|--------------|--------------|
| Wages and Salaries    | 47635        | 64540        |
| Social Security Costs | 4131         | 6370         |
| Other Pension Costs   | <u>3224</u>  | <u>1880</u>  |
|                       | <u>54990</u> | <u>72790</u> |

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

|                                         | <u>2002</u>  | <u>2001</u>  |
|-----------------------------------------|--------------|--------------|
| Administration                          | <u>3</u>     | <u>3</u>     |
| Directors Emoluments:                   |              |              |
|                                         | <u>2002</u>  | <u>2001</u>  |
| Emoluments (Including Benefits in Kind) | <u>27638</u> | <u>54628</u> |

### 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 cost charge represents contributions payable by the Company to the fund and amounted to £3224 (2001 £1880).

### 4) OPERATING PROFIT (LOSS) is stated after charging:

|                                    | <u>2002</u>  | <u>2001</u>  |
|------------------------------------|--------------|--------------|
| Directors Emoluments               | 27638        | 54628        |
| Amortisation – Of Owned Assets     | 13189        | 11080        |
| Auditors Remuneration – Audit Fees | 1000         | 1000         |
| Staff Costs (See note 2)           | <u>27352</u> | <u>18162</u> |

### 5) OTHER OPERATING INCOME

|                  | <u>2002</u>   | <u>2001</u>   |
|------------------|---------------|---------------|
| Rents Receivable | <u>140119</u> | <u>108000</u> |

# RJW (HOLDINGS) LIMITED

## 6) INVESTMENT INCOME

|                                    | <u>2002</u>   | <u>2001</u>   |
|------------------------------------|---------------|---------------|
| Dividends from Group Company (Net) | <u>136000</u> | <u>228000</u> |

## 7) OTHER INTEREST RECEIVABLE

|                       | <u>2002</u>  | <u>2001</u>  |
|-----------------------|--------------|--------------|
| Bank Deposit          | 33416        | 29470        |
| Loan to Group Company | 42009        | 52611        |
| Tax Refunds           | <u>480</u>   | <u>-</u>     |
|                       | <u>75905</u> | <u>82081</u> |

## 8) INTEREST PAYABLE

|                        | <u>2002</u> | <u>2001</u> |
|------------------------|-------------|-------------|
| On Arrears of PAYE/NIC | <u>6272</u> | <u>2146</u> |

## 9) TAXATION

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

### b) Factors Affecting the Tax Charge for the Period

The tax assessed for the period is lower than the standard rate of corporation tax in the U.K. (30%). The differences are explained below:-

|                                                                                                       | <u>2002</u>   | <u>2001</u>    |
|-------------------------------------------------------------------------------------------------------|---------------|----------------|
| Profit on Ordinary Activities before Tax                                                              | <u>369116</u> | <u>408588</u>  |
| Profit on Ordinary Activities Multiplied by<br>Standard Rate of Corporation Tax in the<br>U.K. of 30% | 110734        | 122577         |
| Effect of:                                                                                            |               |                |
| Expenses Not Deductible for Tax Purposes                                                              | 1972          | 644            |
| Dividend Income – Not Taxable                                                                         | (40800)       | (68400)        |
| Excess of Amortisation/Depreciation Over<br>Capital Allowances                                        | 3957          | 3324           |
| Marginal Relief                                                                                       | (12428)       | (13905)        |
| Maintenance Provision Adjustment re<br>Previous Periods                                               | <u>-</u>      | <u>(15948)</u> |
| Current Tax Charge for the Period                                                                     | <u>63435</u>  | <u>28292</u>   |

## RJW (HOLDINGS) LIMITED

### c) Factors That May Affect Future Tax Charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is not material and at present, it is not envisaged that any tax will become payable in the foreseeable future.

### 10) PROVISION FOR PROPERTY MAINTENANCE

The provision relates to an obligation under the lease for the company's premises, to repair and maintain those premises on an ongoing basis. There is not expected to be any reimbursement in this respect and the director's are not of the opinion that there has been any material change in the year.

|                      | <u>2002</u>  | <u>2001</u>  |
|----------------------|--------------|--------------|
| Opening Balance      | 59762        | 60882        |
| Expenditure Incurred | <u>5900</u>  | <u>1120</u>  |
| Closing Balance      | <u>53862</u> | <u>59762</u> |

### 11) DIVIDENDS

During the year the Company paid dividends on the ordinary shares totalling £136000. This amounts to £22.67 per share.

### 12) TANGIBLE FIXED ASSETS

|                                          | <u>Long Leasehold<br/>Property</u> |
|------------------------------------------|------------------------------------|
| Valuation 31.1.1997 Plus Subsequent Cost |                                    |
| At 1.2.2001                              | <u>765289</u>                      |
| At 31.1.2002                             | <u>765289</u>                      |
| Amortisation                             |                                    |
| At 1.2.2001                              | 44320                              |
| Charge for Year                          | <u>13189</u>                       |
| At 31.1.2002                             | <u>57509</u>                       |
| Written Down Values                      |                                    |
| At 31.1.2002                             | <u>707780</u>                      |
| At 1.2.2001                              | <u>720969</u>                      |

## RJW (HOLDINGS) LIMITED

The historical cost of the leasehold property included above at a valuation of £765289 was £487859 (2001 - £487859) and the aggregate depreciation would have been £100002 (2001 - £92702).

### 13) INVESTMENTS

|              | <u>Unlisted</u> |
|--------------|-----------------|
| Cost         |                 |
| At 1.2.2001  | <u>2</u>        |
| At 31.1.2002 | <u>2</u>        |

This is the investment in the Subsidiary Company (see note 14)

### 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<br>Held by RJW (Holdings) Limited | <u>2</u> |

The subsidiary made a profit after taxation for the year ended 31<sup>st</sup> January 2002 of £149762 (2001 - £236188).

The aggregate amount of capital and reserves of the subsidiary at 31<sup>st</sup> January 2002 was £393824 (2001 - £380062).

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

|                                         | <u>Due Within One Year</u> |              |
|-----------------------------------------|----------------------------|--------------|
|                                         | <u>2002</u>                | <u>2001</u>  |
| Loan on Transfer of Trade<br>and Assets | 466765                     | 466765       |
| Loan Interest, Rent Etc.                | <u>75776</u>               | <u>49653</u> |

## RJW (HOLDINGS) LIMITED

### 15) DEBTORS

All debts are due within one year.

### 16) PROFIT AND LOSS ACCOUNT

|                              |                |
|------------------------------|----------------|
| Opening Balance 1.2.2001     | 1515093        |
| Retained Profit for the Year | <u>169681</u>  |
| Closing Balance 31.1.2002    | <u>1684774</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                          | 380689        |
| Transfer to Other Distributable Reserves | <u>60766</u>  |
| Closing Balance                          | <u>319923</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 £5889 (2001 - £5748) 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 1.2.2001             | 54877        |
| Transferred from Revaluation Reserve | <u>5889</u>  |
| Closing Balance 31.1.2002            | <u>60766</u> |

**RJW (HOLDINGS) LIMITED**

19) **NOTES TO THE CASH FLOW STATEMENTS**

|                                                  | <u>2002</u>    | <u>2001</u>   |
|--------------------------------------------------|----------------|---------------|
| a) Gross Cash Flows                              |                |               |
| Returns on Investments and Servicing of Finance: |                |               |
| Dividend Received                                | 136000         | 228000        |
| Interest Received                                | 86507          | 116479        |
| Interest Paid                                    | <u>(10646)</u> | <u>-</u>      |
|                                                  | <u>211861</u>  | <u>344479</u> |
| Capital Expenditure                              |                |               |
| Payments to Acquire Tangible Fixed Assets        | <u>30502</u>   | <u>84737</u>  |
| Management of Liquid Resources                   |                |               |
| Investments in Fixed Term Deposit Accounts       | <u>200000</u>  | <u>550000</u> |
| Financing                                        |                |               |
| Directors Current Account Repayments             | (20225)        | (19919)       |
| Repayment of Loan by Subsidiary                  | <u>-</u>       | <u>500000</u> |
|                                                  | <u>(20225)</u> | <u>480081</u> |

b) Analysis of Changes in Net Debt

|                           | At 31.1.2001<br><u>£</u> | Cash<br>Flows<br><u>£</u> | Other<br>Changes<br><u>£</u> | At 31.1.2002<br><u>£</u> |
|---------------------------|--------------------------|---------------------------|------------------------------|--------------------------|
| Cash at Bank              | 328028                   | (105511)                  | -                            | 222517                   |
| Debt Due Within One Year  | (20225)                  | 20225                     | -                            | -                        |
| Current Asset Investments | <u>550000</u>            | <u>200000</u>             | <u>-</u>                     | <u>750000</u>            |
| Total                     | <u>857803</u>            | <u>114714</u>             | <u>-</u>                     | <u>972517</u>            |

## RJW (HOLDINGS) LIMITED

### 20) RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

|                                              | <u>2002</u>    | <u>2001</u>     |
|----------------------------------------------|----------------|-----------------|
| Profit for the Financial Year after Taxation | 305681         | 380296          |
| Dividends                                    | <u>136000</u>  | <u>(228000)</u> |
|                                              | 169681         | 152296          |
| Opening Shareholders' Funds at 1.2.2001      | <u>1901782</u> | <u>1749486</u>  |
| Closing Shareholders' Funds at 31.1.2002     | <u>2071463</u> | <u>1901782</u>  |

### 21) TRANSACTIONS WITH DIRECTORS

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

#### Directors Current Accounts

|                   | <u>Opening<br/>Balance</u> | <u>Cash<br/>Introduced</u> | <u>Drawings</u> | <u>Closing<br/>Balance</u> |
|-------------------|----------------------------|----------------------------|-----------------|----------------------------|
| Mr. M.J. Walters  | 9831                       | -                          | 9831            | -                          |
| Mrs. J.M. Walters | <u>10394</u>               | <u>-</u>                   | <u>10394</u>    | <u>-</u>                   |
|                   | <u>20225</u>               | <u>-</u>                   | <u>20225</u>    | <u>-</u>                   |

### 22) RELATED PARTY TRANSACTIONS

- Interest of £42009 (2001 - £52611) 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.
- The Company received commercial rental income of £140119 (2001 - £108000) from the subsidiary, in respect of the use of the leasehold property, of this amount £41125 including VAT (2001 - £NIL) was outstanding at the balance sheet date.
- The Company also charged the subsidiary with management charges of £94627 (2001 - £79316) during the year.

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

## RJW (HOLDINGS) LIMITED

### 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) FINANCIAL COMMITMENTS

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

### 25) CONTINGENT LIABILITIES

The Company has an obligation, under the terms of its lease, to maintain the leasehold property.

The roof of the property is substantially made from asbestos sheet and will be therefore, very costly to replace and dispose of when the roof becomes unserviceable. The roof is currently in a reasonable condition and it is uncertain as to when it will become unserviceable and require replacing.

Although the property is currently sublet to the subsidiary company under a repairing lease, it is anticipated that RJW (Holdings) Limited would have to reimburse the subsidiary company for the majority of the roofing costs. The company therefore has a contingent liability of the majority of the estimated £210000 (net of tax relief) re-roofing cost. No security has been given in this respect.