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Company Registration No. 1222521 (England and Wales)

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D & J SIMONS & SONS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2000



D & J SIMONS & SONS LIMITED

COMPANY INFORMATION

Directors	J M Simons Mrs L Simons S J Simons H I Simons B L Simons
Secretary	Mrs L Simons
Company number	1222521
Registered office	124-150 Hackney Road London E2 7QS
Business address	124-150 Hackney Road London E2 7QS
Auditors	Acre House 11-15 William Road London NW1 3ER
Bankers	HSBC Bank plc 465 Bethnal Green Road Bethnal Green London E2 9QW
Solicitors	Butcher Burns Beaumont House 47 Mount Pleasant London WC1X 0AE

D & J SIMONS & SONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2000

The directors present their report and accounts for the year ended 31 October 2000.

Principal activities

The principal activity of the company continues to be that of distributors of picture frame mouldings and wood turnery.

Review of business

Both the level of business and the year end financial position were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the present level of activity.

Results and dividends

The profit for the year after taxation amounted to £416,802.

The directors do not recommend payment of a final dividend.

Directors and their interests

The directors at 31 October 2000 and their beneficial interests in the shares of the company were:

	Ordinary shares of £ 1 each	
	31 October 2000	1 November 1999
J M Simons	25	25
Mrs L Simons	25	25
S J Simons	150	150
H I Simons	150	150
B L Simons	150	150

Auditors

A resolution proposing the reappointment of as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board

H I Simons

Director

Dated:

18 September 2001

D & J SIMONS & SONS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

D & J SIMONS & SONS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts on pages 4 to 15 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

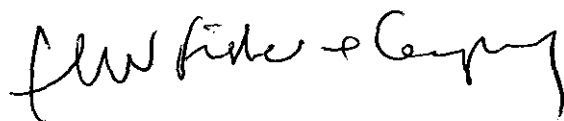
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 October 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditor
Acre House
11-15 William Road
London
NW1 3ER

Dated: 24 September 2001

D & J SIMONS & SONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2000

	Notes	2000 £	1999 £
Turnover	2	15,590,095	16,216,747
Cost of sales		(10,726,400)	(10,782,995)
Gross profit		4,863,695	5,433,752
Administrative expenses		(4,757,675)	(4,701,062)
Other operating income		307,247	333,944
Operating profit	3	413,267	1,066,634
Other income	6	30,057	37,310
Profit on ordinary activities before taxation		443,324	1,103,944
Tax on profit on ordinary activities	7	(26,522)	(355,452)
Profit on ordinary activities after taxation		416,802	748,492
Retained profit brought forward		7,930,075	7,181,583
Retained profit carried forward		8,346,877	7,930,075

The profit and loss account has been prepared on the basis that all operations are continuing operations.

D & J SIMONS & SONS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 OCTOBER 2000

	2000	1999
	£	£
Profit for the financial year	416,802	748,492
Unrealised surplus on revaluation of properties	460,000	595,000
Total recognised gains and losses relating to the year	<u>876,802</u>	<u>1,343,492</u>

D & J SIMONS & SONS LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	8		6,033,477		4,807,935
Current assets					
Stocks	9	2,242,973		2,707,539	
Debtors	10	6,097,231		6,235,881	
Cash at bank and in hand		-		653,480	
		<u>8,340,204</u>		<u>9,596,900</u>	
Creditors: amounts falling due within one year	11	<u>(3,794,480)</u>		<u>(4,702,436)</u>	
Net current assets			<u>4,545,724</u>		<u>4,894,464</u>
Total assets less current liabilities			<u><u>10,579,201</u></u>		<u><u>9,702,399</u></u>
Capital and reserves					
Called up share capital	13		500		500
Revaluation reserve	14		2,231,824		1,771,824
Profit and loss account			<u>8,346,877</u>		<u>7,930,075</u>
Shareholders' funds - all equity interests	15		<u><u>10,579,201</u></u>		<u><u>9,702,399</u></u>

The accounts were approved by the Board on 18 September 2001

H I Simons
Director

D & J SIMONS & SONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2000

	Notes	2000 £	1999 £
Net cash (outflow)/inflow from operating activities	16	(894,740)	1,313,676
Returns on investments and servicing of finance			
Interest received		30,057	37,310
Net cash inflow from returns on investments and servicing of finance		30,057	37,310
Corporation tax		(373,073)	(478,279)
Capital expenditure			
Payments to acquire tangible fixed assets		(1,069,857)	(418,362)
Receipts from sales of tangible fixed assets		115,400	137,708
Net cash outflow from capital expenditure		(954,457)	(280,654)
Net cash (outflow)/inflow before financing		(2,192,213)	592,053
Financing			
Capital element of hire purchase and finance lease rentals		-	(9,750)
Net cash outflow from financing		-	(9,750)
(Decrease)/increase in cash	17	(2,192,213)	582,303

D & J SIMONS & SONS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2000

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention as modified to include the revaluation of freehold land and buildings.

1.2 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	2% straight line
Plant and machinery	10% straight line
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

1.4 Stock

Stock is stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1.5 Pensions

The company operates a defined contributions pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.7 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to profit and loss account.

1.8 Investment properties

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation is provided. This is a departure from the requirements of the Companies Act 1985 which requires all properties to be depreciated. As the properties are held for their investment potential, the directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be identified or quantified.

D & J SIMONS & SONS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2000

2 Turnover

Geographical market

	Turnover	
	2000	1999
	£	£
United Kingdom	13,397,285	14,538,576
Rest of the world	2,192,810	1,678,171
	<u>15,590,095</u>	<u>16,216,747</u>

3 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	156,284	162,341
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	1,239	1,653
Operating lease rentals		
- Other assets	140,000	140,000
Auditors' remuneration	18,000	17,500
Remuneration of auditors for non-audit work	5,842	2,850
	<u>221,365</u>	<u>324,344</u>

4 Directors' emoluments

	2000	1999
	£	£
Aggregate emoluments	<u>880,200</u>	<u>614,400</u>

Retirement benefits are accruing to 3 (1999 - 3) directors under defined contribution schemes.

Emoluments disclosed above include the following amounts paid to the highest paid director:

Aggregate emoluments	<u>200,200</u>	<u>218,885</u>
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D & J SIMONS & SONS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2000

5 Employees

Number of employees

The average monthly number of employees during the year was:

	2000 Number	1999 Number
Sales	28	28
Administration	31	32
Despatch and warehouse	67	68
	<u>126</u>	<u>128</u>

Employment costs

	£	£
Wages and salaries	2,501,184	2,424,856
Social security costs	248,485	244,023
	<u>2,749,669</u>	<u>2,668,879</u>

6 Other income

	2000 £	1999 £
Interest receivable and similar income	<u>30,057</u>	<u>37,310</u>

7 Tax on profit on ordinary activities

	2000 £	1999 £
U.K. Current year taxation		
U.K. Corporation tax at 30% (1999 - 30%)	143,201	355,452
Prior years		
U.K. Corporation tax	(116,679)	-
	<u>26,522</u>	<u>355,452</u>

D & J SIMONS & SONS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2000

8 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 November 1999	4,286,271	273,639	293,628	687,640	5,541,178
Additions	814,573	-	28,394	226,890	1,069,857
Revaluation	460,000	-	-	-	460,000
Disposals	-	-	-	(366,893)	(366,893)
At 31 October 2000	5,560,844	273,639	322,022	547,637	6,704,142
Depreciation					
At 1 November 1999	-	161,918	232,600	338,725	733,243
On disposals	-	-	-	(220,101)	(220,101)
Charge for the year	-	27,930	22,355	107,238	157,523
At 31 October 2000	-	189,848	254,955	225,862	670,665
Net book value					
At 31 October 2000	5,560,844	83,791	67,067	321,775	6,033,477
At 31 October 1999	4,286,271	111,721	61,028	348,915	4,807,935

The net book value of land and buildings comprises:

	2000	1999
	£	£
Freeholds	5,557,553	4,282,980
Long leaseholds (over 50 years)	3,291	3,291
	5,560,844	4,286,271

The investment properties and properties in use by related companies were revalued by the directors at 31 October 1999. No depreciation is provided in respect of these properties.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
Historical cost at 1 November 1999	2,514,447
Additions	814,573
Historical cost at 31 October 2000	3,329,020
Net book values	
At 31 October 2000	3,329,020
At 31 October 1999	2,514,447

All other tangible fixed assets are stated at historical cost.

D & J SIMONS & SONS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2000

9	Stocks	2000 £	1999 £
	Finished goods and goods for resale	<u>2,242,973</u>	<u>2,707,539</u>

10	Debtors	2000 £	1999 £
	Trade debtors	4,708,676	4,956,926
	Amounts owed by companies under common control	1,214,276	1,118,825
	Other debtors	81,965	70,712
	Prepayments and accrued income	92,314	89,418
		<u>6,097,231</u>	<u>6,235,881</u>

Amounts falling due after more than one year and included in the debtors above are:

	2000 £	1999 £
Other debtors	<u>52,854</u>	<u>52,854</u>

11	Creditors: amounts falling due within one year	2000 £	1999 £
	Bank overdrafts (see Note 20)	1,538,733	-
	Trade creditors	857,534	1,470,755
	Amounts owed to companies under common control	262,022	73,327
	Corporation tax	122,453	469,004
	Other taxes and social security costs	884,013	873,463
	Other creditors	30,810	1,783,106
	Accruals and deferred income	98,915	32,781
		<u>3,794,480</u>	<u>4,702,436</u>

12 Provisions for liabilities and charges

	Not provided		Provided	
	2000 £	1999 £	2000 £	1999 £
Surplus on revaluation of land and buildings	405,000	418,500	-	-
	<u>405,000</u>	<u>418,500</u>	<u>-</u>	<u>-</u>

D & J SIMONS & SONS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2000

13	Share capital	2000	1999
		£	£
	Authorised		
	1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	500 Ordinary shares of £ 1 each	<u>500</u>	<u>500</u>
14	Statement of movements on reserves		
			Revaluation reserve
			£
	Balance at 1 November 1999		1,771,824
	Revaluation during the year		<u>460,000</u>
	Balance at 31 October 2000		<u>2,231,824</u>
15	Reconciliation of movements in shareholders' funds	2000	1999
		£	£
	Profit for the financial year	416,802	748,492
	Other recognised gains and losses	<u>460,000</u>	<u>595,000</u>
	Net addition to shareholders' funds	876,802	1,343,492
	Opening shareholders' funds	<u>9,702,399</u>	<u>8,358,907</u>
	Closing shareholders' funds	<u>10,579,201</u>	<u>9,702,399</u>
16	Net cash (outflow)/inflow from operating activities	2000	1999
		£	£
	Reconciliation to operating profit:		
	Operating profit	413,267	1,066,634
	Depreciation of tangible fixed assets	157,523	163,994
	Profit on disposal of tangible fixed assets	31,392	16,265
	Decrease/(increase) in stocks	464,566	(97,539)
	Decrease in debtors	138,650	9,533
	(Decrease)/Increase in creditors	<u>(2,100,138)</u>	<u>154,789</u>
		<u>(894,740)</u>	<u>1,313,676</u>

D & J SIMONS & SONS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2000

17	Reconciliation of net cash flow to movement in net debt	2000 £	1999 £
	(Decrease)/increase in cash	(2,192,213)	582,303
	Capital element of hire purchase and finance lease rentals	-	9,750
	Movement in net debt	(2,192,213)	592,053
	Net debt at 1 November 1999	653,480	61,427
	Net debt at 31 October 2000	<u>(1,538,733)</u>	<u>653,480</u>

18	Analysis of net debt	At 1 November 1999 £	Cash flow £	At 31 October 2000 £
	Cash at bank and in hand	653,480	(653,480)	-
	Bank overdrafts	-	(1,538,733)	(1,538,733)
		<u>653,480</u>	<u>(2,192,213)</u>	<u>(1,538,733)</u>

19 Contingent liabilities

The company's bankers hold a right of set-off for any amounts outstanding between D & J Simons Limited, Robobond Limited, Robam Importers Limited, D & J Simons (Properties) Limited and D & J Simons and Sons Limited. For the period covered by these financial statements the companies had a net surplus at the bank.

20 Commitments under operating leases

At 31 October 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2000	1999
	£	£
Expiry date:		
In over five years	<u>140,000</u>	<u>140,000</u>

D & J SIMONS & SONS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2000

21 Related party transactions

Robam Importers Limited, Robobond Limited, D & J Simons Limited, D & J Simons (Properties) Limited, Gransim Properties No.2 Limited, Gransim Properties No. 3 Limited, Gransim Properties No. 4 Limited, Gransim Properties No. 5 Limited and Gransim Properties No.6 Limited are considered related parties as a result of the directors' interests in these companies. The Freston Pension Fund is considered to be a related party as the directors and their dependents are the beneficiaries.

During the year under review, the company purchased stock for resale of £1,565,284 (1999 - £1,535,847) from D & J Simons Limited. The company also received £77,870 (1999 - £91,381) from Robobond Limited as a contribution towards administrative expenses incurred on its behalf.

At the Balance Sheet date the company was owed £611,436 (1999 - £541,441) by Robobond Limited and £65,808 (1999 - £67,187) by Robam Importers Limited. £178,255 was owed to D & J Simons Limited (1999- £73,227). £83,767 was owed to D & J Simons (Properties) Limited (1999 - £(1,233)). Gransim Properties No.2 Limited, Gransim Properties No. 3 Limited, Gransim Properties No. 4 Limited, Gransim Properties No. 5 Limited and Gransim Properties No.6 Limited owed £460,334 (1999 - £436,206) to the company for expenses paid on their behalf.

At the Balance Sheet date the company was owed £76,698 (1999 - £72,758) by the Freston Pension Scheme and during the year paid £141,770 (1999 - £164,000) in rent to properties owned by this scheme.

The directors were owed £23,934 (1999 - £1,776,210) at the year end.