

WILLIAM STEPHEN (BAKERS) LIMITED**ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2002**

WILLIAM STEPHEN (BAKERS) LIMITED

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WILLIAM STEPHEN (BAKERS) LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2002

The directors submit their report and the financial statements for the year ended 30 June 2002.

Results and dividends

The profit for the year, after taxation, amounted to **£379,775** (2001 - £33,140).

The directors recommend a dividend of £379,775 leaving a balance of £NIL which is transferred to retained reserves.

Principal activity

The company's principal activity continued to be that of manufacturing, wholesale and retail bakers.

Review of business and future developments

The directors are happy with the company's performance for the year ended 30 June 2002.

The directors are hopeful that the company will continue to trade profitably in the current year.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year were:

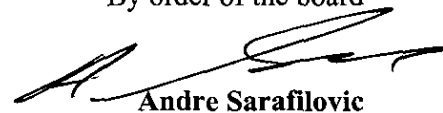
	Ordinary shares of £1 each	
	2002	2001
Andre Sarafilovic	-	-
Rona Sarafilovic	-	-

The director's interest in the shares of the company's ultimate holding company, PARS Group Limited, are disclosed in that company's financial statements.

Political and charitable contributions

During the year the company made charitable donations of **£1,164** (2001: £2,100).

By order of the board


Andre Sarafilovic
Director

**AUDITORS' REPORT TO
WILLIAM STEPHEN (BAKERS) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts, which comprises the Abbreviated Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes, together with the financial statements of the company for the year ended 30 June 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with section 246A(3) of the Act to the registrar and whether the accounts 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 considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts 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 financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts are properly prepared in accordance with that provision.

Edinburgh

12/11/02

 **PKF**
Registered Auditors

WILLIAM STEPHEN (BAKERS) LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2002

	Notes	2002 £	2001 £
GROSS PROFIT		1,780,528	1,501,295
Distribution costs		(847,515)	(795,426)
Administrative expenses		(476,429)	(615,406)
OPERATING PROFIT	2	456,584	90,463
Interest receivable and similar income		9,390	7,615
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		465,974	98,078
TAXATION	5	(86,199)	(64,938)
PROFIT FOR THE FINANCIAL YEAR		379,775	33,140
DIVIDENDS	6	(379,775)	(33,140)
		-	-

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

WILLIAM STEPHEN (BAKERS) LIMITED

BALANCE SHEET

30 JUNE 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Intangible	7	7,740	8,600
Tangible	8	223,030	151,955
Investments	9	10,000	10,000
		<u>240,770</u>	<u>170,555</u>
CURRENT ASSETS			
Stocks	10	32,527	31,276
Debtors	11	183,162	135,727
Cash at bank and in hand		469,722	338,072
		<u>685,411</u>	<u>505,075</u>
CREDITORS: amounts falling due within one year	12	<u>(913,575)</u>	<u>(663,024)</u>
NET CURRENT LIABILITIES		<u>(228,164)</u>	<u>(157,949)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,606</u>	<u>12,606</u>
CAPITAL AND RESERVES			
Called up share capital	13	7,600	7,600
Other reserves		5,006	5,006
SHAREHOLDERS' FUNDS		<u>12,606</u>	<u>12,606</u>

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

The financial statements were approved by the board on 29 OCTOBER 2002

Signed on behalf of the board of directors


Andre Sarafilovic Director

WILLIAM STEPHEN (BAKERS) LIMITED**CASH FLOW STATEMENT****YEAR ENDED 30 JUNE 2002**

	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	456,584	90,463
Amortisation of intangible assets	860	860
Depreciation of tangible fixed assets	39,620	228,515
(Profit)/loss on sale of fixed assets	(2,246)	2,705
Increase in debtors	(23,968)	(27,792)
Increase in stocks	(1,251)	(779)
Increase in creditors	203,213	59,482
Net cash inflow from operating activities	672,812	353,454
CASH FLOW STATEMENT (note 15)		
Net cash inflow from operating activities	672,812	353,454
Returns on investments and servicing of finance	9,390	7,615
Taxation	(63,128)	(53,247)
Capital expenditure	(107,649)	(63,131)
Equity dividends paid	(379,775)	(33,140)
Increase in cash	131,650	211,551
Reconciliation of net cash flow to movement in net funds (note 16)		
Increase in cash in the year	131,650	211,551
Net funds at 1 July 2001	338,072	126,521
Net funds at 30 June 2002	469,722	338,072

WILLIAM STEPHEN (BAKERS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2002

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Intangible fixed assets

Premiums relating to property leases are written off on a straight line basis over the period of the lease.

(d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	20 % straight line
Plant & equipment	20 % straight line
Motor vehicles	25 % reducing balance
Fixtures & fittings	20 % straight line

(e) Operating leases

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(f) Investments

Investments are stated at cost

(g) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

(h) Deferred taxation

Full provision is made at the current rate for deferred tax in respect of timing differences. Deferred tax balances are not discounted.

(i) Pensions

The company operates a defined contribution pension scheme and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

WILLIAM STEPHEN (BAKERS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2002

2 OPERATING PROFIT

The operating profit is stated after charging:

	2002	2001
	£	£
Amortisation of intangible assets	860	860
Depreciation of tangible fixed assets:		
- owned by the company	39,620	228,515
Audit fees	5,100	5,000
Operating lease rentals:		
- plant & machinery	569	1,173
- rent	179,734	180,337
	<u> </u>	<u> </u>

3 DIRECTORS' EMOLUMENTS AND BENEFITS

	2002	2001
	£	£
Directors' emoluments	100,403	100,387
Contributions to money purchase pension schemes	50,000	80,000
	<u> </u>	<u> </u>

The number of directors accruing benefits under pension schemes were:

	No	No
Money purchase schemes	2	2
	<u> </u>	<u> </u>

4 STAFF COSTS

Staff costs, including directors' emoluments, were as follows:

	2002	2001
	£	£
Wages and salaries	1,301,759	1,112,742
Social security costs	81,309	66,510
Other pension costs	51,628	81,418
	<u> </u>	<u> </u>
	1,434,696	1,260,670
	<u> </u>	<u> </u>

The average monthly number of employees, including executive directors, during the year was:

	No	No
Retail Services	100	100
Bakery	39	40
	<u> </u>	<u> </u>
	139	140
	<u> </u>	<u> </u>

WILLIAM STEPHEN (BAKERS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2002

5 TAXATION

(a) Analysis of charge in year	2002	2001
	£	£
UK corporation tax		
Current tax on income for the year	109,666	63,129
Adjustments in respect of prior periods	-	1,809
	<u>109,666</u>	<u>64,938</u>
Deferred tax		
Current tax on income for the year	(23,467)	-
	<u>86,199</u>	<u>64,938</u>

(b) Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30 per cent). Reconciling items are explained below:

	2002	2001
	£	£
Profit on ordinary activities before tax	465,974	98,078
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	139,792	29,423
Effects of:		
Expenses not deductible for taxable purposes	13,941	70,459
Profit on disposal of fixed asset	(673)	-
Capital allowances	(34,318)	(27,922)
Marginal relief	(9,076)	(7,022)
Deferred taxation	(23,467)	-
Prior year adjustments	-	1,809
	<u>86,199</u>	<u>64,938</u>
	<u> </u>	<u> </u>

6 DIVIDENDS

	2002	2001
	£	£
Ordinary shares		
Final paid	379,775	33,140
	<u> </u>	<u> </u>
of which:		
Dividends on equity shares	379,775	33,140
	<u> </u>	<u> </u>

WILLIAM STEPHEN (BAKERS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2002

7 INTANGIBLE FIXED ASSETS

	Lease Premiums £
Cost	
At 1 July 2001 and 30 June 2002	17,200
Amortisation	
At 1 July 2001	8,600
Charge for the year	860
At 30 June 2002	9,460
Net book amount	
At 30 June 2002	7,740
At 30 June 2001	8,600

8 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant & equipment, fixtures & fittings £	Motor vehicles £	Total £
Cost				
At 1 July 2001	105,976	1,128,244	370,242	1,604,462
Additions	2,067	91,453	31,479	124,999
Disposals	-	-	(55,617)	(55,617)
At 30 June 2002	108,043	1,219,697	346,104	1,673,844
Depreciation				
At 1 July 2001	31,221	1,079,361	341,925	1,452,507
Charge for year	21,609	57,671	(39,660)	39,620
On disposals	-	-	(41,313)	(41,313)
At 30 June 2002	52,830	1,137,032	260,952	1,450,814
Net book amount				
At 30 June 2002	55,213	82,665	85,152	223,030
At 30 June 2001	74,755	48,883	28,317	151,955

WILLIAM STEPHEN (BAKERS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2002

9 FIXED ASSET INVESTMENTS

	Unlisted £
Cost	
At 1 July 2001 and	
30 June 2002	10,000

10 STOCKS

	2002 £	2001 £
Raw materials	32,527	31,276

11 DEBTORS

	2002 £	2001 £
Due within one year		
Trade debtors	139,678	96,146
Other debtors	34,427	35,058
Prepayments & accrued income	9,057	4,523
	183,162	135,727

Included within other debtors is an amount of **£23,467** (2001:£Nil) relating to deferred tax. This has resulted from depreciation being charged at higher rates than the available capital allowances.

12 CREDITORS

	2002 £	2001 £
Amounts falling due within one year		
Trade creditors	37,274	58,250
Amounts owed to group undertakings	545,605	365,365
Corporation tax	109,667	63,129
Other tax and social security	12,257	62,878
Other creditors	33,839	53,700
Accruals and deferred income	174,933	59,702
	913,575	663,024

WILLIAM STEPHEN (BAKERS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2002

13 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	£
At 1 July 2001 and 30 June 2002			
Ordinary shares of £1 each	10,000	7,600	7,600
	<u> </u>	<u> </u>	<u> </u>

14 RESERVES

Profit and loss account	£
At 1 July 2001	-
Profit for the year	379,775
Dividends	(379,775)
	<u> </u>
At 30 June 2002	-
	<u> </u>

15 GROSS CASH FLOWS

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	9,390	7,615
	<u> </u>	<u> </u>
Taxation		
Corporation tax paid	(63,128)	(53,247)
	<u> </u>	<u> </u>
Capital expenditure		
Payments to acquire tangible fixed assets	(124,199)	(76,131)
Receipts from sales of tangible fixed assets	16,550	13,000
	<u> </u>	<u> </u>
	(107,649)	(63,131)
	<u> </u>	<u> </u>

16 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 July 2001 £	Cash flows £	Other changes £	At 30 June 2002 £
Cash at bank and in hand	338,072	131,650	-	469,722
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	338,072	131,650	-	469,722
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

WILLIAM STEPHEN (BAKERS) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2002

17 OTHER COMMITMENTS

At 30 June 2002 the company had annual commitments under operating leases as follows:

	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year			-	1,122
Between one and five years	25,375	23,500		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 TRANSACTIONS WITH RELATED PARTIES

Included within other creditors is an amount of **£18,487** (2000-£48,487) due to A Sarafilovic, director. The maximum outstanding during the year was **£48,487**.

Included within other creditors is an amount **£545,605** (2000-£365,365) due to PARS Group Limited, William Stephen (Bakers) Limited parent company. The maximum outstanding during the year was **£545,605**.

19 PENSION COSTS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge for the year is shown in note 4.

At the 30 June 2002, there were outstanding pension contributions included within other creditors totalling **£14,202** (2001: £4,668).