

**Report of the Directors and
Financial Statements for the Year Ended 30 September 1998
for
W NELSON & CO LIMITED**



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for the Year Ended 30 September 1998**

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W NELSON & CO LIMITED

**Company Information
for the Year Ended 30 September 1998**

DIRECTORS:	W Nelson C F A A Nelson G W Nelson
SECRETARY:	Mrs P M Nelson
REGISTERED OFFICE:	Paxton House 11 Woodside Crescent Charing Cross GLASGOW G3 7UL
REGISTERED NUMBER:	80791 (Scotland)
AUDITORS:	MacLeod Paxton Woolard & Co. Registered Auditors Paxton House 11 Woodside Crescent Charing Cross GLASGOW G3 7UL
BANKERS:	Bank of Scotland 39 Union Street LARKHALL ML9 1DT
SOLICITORS:	Gebbie & Wilson 18 Commongreen STRATHAVEN ML10 6AG

Report of the Directors for the Year Ended 30 September 1998

PRINCIPAL ACTIVITY

DIRECTORS

W Nelson

Mrs P M Nelson

- resigned 31.3.98

C F A A Nelson

G W Nelson

The beneficial interests of the directors holding office on 30 September 1998 in the issued share capital of the company were as follows:

30.9.98

1.10.97

Ordinary 1 shares

W Nelson

50

50

C F A A Nelson

1

—

G W Nelson

and

—

YEAR 2000

During the year the directors conducted an extensive review of the potential impact of the Year 2000 'millennium bug' upon the company. Most existing systems and processes appear to be millennium-compliant and a programme is in place to modify the remaining systems and processes. This programme should be completed by 30th January 1998.

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 judgments 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, MacLeod Paxton Woolard & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

Mrs P M Nelson - SECRETARY

Dated: 17-12-98

**Report of the Auditors to the Shareholders of
W Nelson & Co Limited**

We have audited the financial statements on pages four to eight which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

MacLeod Paxton Woolard & Co.
Registered Auditors
Paxton House
11 Woodside Crescent
Charing Cross
GLASGOW
G3 7UL



Dated: 12/12/98

W NELSON & CO LIMITED

**Profit and Loss Account
for the Year Ended 30 September 1998**

		30.9.98	30.9.97
	Notes	£	£
TURNOVER	2	725,417	763,856
Cost of sales		516,015	514,994
GROSS PROFIT		209,402	248,862
Administrative expenses		177,174	180,690
OPERATING PROFIT	4	32,228	68,172
Interest receivable and similar income	5	15,438	23,231
		47,666	91,403
Interest payable and similar charges		88	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		47,578	91,403
Tax on profit on ordinary activities	6	10,153	22,529
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		37,425	68,874
Dividends	7	-	60,000
		37,425	8,874
Retained profit brought forward		386,358	377,484
RETAINED PROFIT CARRIED FORWARD		£423,783	£386,358

The notes form part of these financial statements

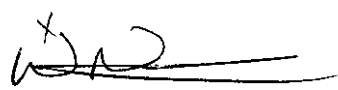
W NELSON & CO LIMITED

**Balance Sheet
30 September 1998**

		30.9.98		30.9.97	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		28,840		37,115
CURRENT ASSETS:					
Stocks		52,419		69,256	
Debtors	9	17,339		36,424	
Cash at bank		426,391		431,543	
		496,149		537,223	
CREDITORS: Amounts falling due within one year	10	101,106		187,880	
NET CURRENT ASSETS:			395,043		349,343
TOTAL ASSETS LESS CURRENT LIABILITIES:			£423,883		£386,458
CAPITAL AND RESERVES:					
Called up share capital	11		100		100
Profit and loss account			423,783		386,358
Shareholders' funds			£423,883		£386,458

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

ON BEHALF OF THE BOARD:

W Nelson - DIRECTOR 

Approved by the Board on 17.12.98 ✓

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 September 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

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.

Leasehold property	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	30.9.98	30.9.97
	£	£
Wages and salaries	80,553	77,903
Social security costs	6,699	1,647
Other pension costs	-	10,000
	<u>87,252</u>	<u>89,550</u>

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

	30.9.98	30.9.97
Administration	<u>5</u>	<u>5</u>

Notes to the Financial Statements
for the Year Ended 30 September 1998

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30.9.98	30.9.97
	£	£
Depreciation - owned assets	8,275	10,699
Profit on disposal of fixed assets	-	(5,644)
Auditors' remuneration	1,400	1,500
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	72,442	18,720
	<u> </u>	<u> </u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	30.9.98	30.9.97
	£	£
Deposit account interest	15,438	23,231
	<u> </u>	<u> </u>

6. TAXATION

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

	30.9.98	30.9.97
	£	£
UK Corporation Tax	10,153	22,529
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 21% (1997 - 21%).

7. DIVIDENDS

	30.9.98	30.9.97
	£	£
Interim - share type 1	-	60,000
	<u> </u>	<u> </u>

8. TANGIBLE FIXED ASSETS

	Leasehold property	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 October 1997				
and 30 September 1998	112,774	2,682	22,710	138,166
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:				
At 1 October 1997	93,174	2,199	5,678	101,051
Charge for year	3,920	97	4,258	8,275
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 1998	97,094	2,296	9,936	109,326
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:				
At 30 September 1998	15,680	386	12,774	28,840
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 1997	19,600	483	17,032	37,115
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

W NELSON & CO LIMITED

Notes to the Financial Statements for the Year Ended 30 September 1998

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.98	30.9.97
	£	£
Trade debtors	17,339	31,075
Other debtors	-	5,349
	<u>17,339</u>	<u>36,424</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.98	30.9.97
	£	£
Bank loans and overdrafts	-	2,009
Trade creditors	23,149	23,857
Directors current accounts	15,279	87,386
Other creditors	11,375	8,581
V.A.T.	13,283	19,582
Social security & other taxes	3,723	1,713
Taxation	9,870	22,000
Accrued expenses	24,427	22,752
	<u>101,106</u>	<u>187,880</u>

11. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.98	30.9.97
			£	£
100	Ordinary	1	<u>100</u>	<u>100</u>