

The Yarmouth Stores Limited

Abbreviated accounts

For the year ended

31 January 2004



The Yarmouth Stores Limited

Abbreviated accounts

Year ended 31 January 2004

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The Yarmouth Stores Limited

Company information

The board of directors

C W Knights
Mrs C A Knights
J N Johnson
R A Read

Company secretary

R A Read

Registered office

117 South Quay
Great Yarmouth
Norfolk

Auditors

Lovewell Blake
Chartered Accountants
& Registered Auditors
Sixty Six
North Quay
Great Yarmouth
Norfolk
NR30 1HE

The Yarmouth Stores Limited

Chairman's statement

Year ended 31 January 2004

The year ended 31st January 2004 has been another difficult year with disappointing results. Turnover for the Company decreased from £2,270,543 to £1,966,158 Resulting in a loss of £63,060.

Your directors are not recommending a dividend to be paid this year.

The Retail Division's sales have declined slightly which has resulted in a reduced profit for this division.

The Chandlery and Corporate Workwear Division has declined over the past twelve months due to low value imports from abroad and reduced oil industry activity.

The Workwear Manufacturing Division has again seen a downturn in sales due to competition from cheap imports and the increase in the minimum wage.

Trading conditions over the last twelve months have again not been easy. Resulting in the necessity to make a number of employees redundant.

I would like to thank the Staff and Management for their continuing commitment. My thanks go to the Directors for their contributions and support during another difficult year.


C W Knights
Chairman

The Yarmouth Stores Limited

The directors' report

Year ended 31 January 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 January 2004.

Principal activities and business review

The principal activity of the company continued to be that of retail outfitters, cotton clothing manufacturers, ship chandlers and corporate workwear suppliers.

A detailed review of the business is included in the chairman's statement.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		At 31 January 2004	At 1 February 2003
C W Knights	Ordinary	5,676	5,676
Mrs C A Knights	Ordinary	<u>200</u>	<u>200</u>

Mr R A Leggett, a partner in Messrs Lovewell Blake, is a trustee of three trusts holding in total 18,467 ordinary shares, 4,641 4.2% 'A' preference shares and 4,735 3.5% 'B' preference shares in which the children of Mr C W Knights are beneficially interested.

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 9 to 10, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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. The directors 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.

Close company provisions

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

The Yarmouth Stores Limited

The directors' report *(continued)*

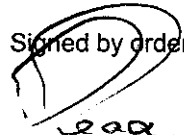
Year ended 31 January 2004

Auditors

A resolution to re-appoint Lovewell Blake as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
117 South Quay
Great Yarmouth
Norfolk

Signed by order of the directors



R A Read
Company Secretary

Approved by the directors on 17 June 2004

The Yarmouth Stores Limited

Independent auditors' report to the company

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 6 to 15, together with the financial statements of the company for the year ended 31 January 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the 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 of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered 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 Act, and the abbreviated accounts on pages 6 to 15 are properly prepared in accordance with those provisions.

Sixty Six
North Quay
Great Yarmouth
Norfolk
NR30 1HE

17 June 2004



LOVEWELL BLAKE
Chartered Accountants
& Registered Auditors

The Yarmouth Stores Limited
Abbreviated profit and loss account
Year ended 31 January 2004

	Note	2004 £	2003 £
Gross profit		597,902	648,348
Distribution costs		(421,292)	(422,906)
Administrative expenses		(249,576)	(260,703)
Operating loss	2	(72,966)	(35,261)
Income from fixed asset investments	5	749	717
Interest receivable		1	—
Interest payable	6	(4,817)	(3,346)
Loss on ordinary activities before taxation		(77,033)	(37,890)
Tax on loss on ordinary activities	7	13,973	13,207
Loss for the financial year		(63,060)	(24,683)
Balance brought forward		1,053,249	1,077,932
Balance carried forward		<u>990,189</u>	<u>1,053,249</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 15 form part of these abbreviated accounts.

The Yarmouth Stores Limited

Abbreviated balance sheet

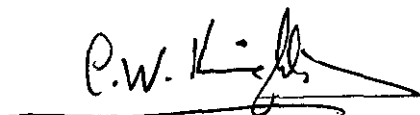
31 January 2004

	Note	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	8		490,967		492,710
Investments	9		671		671
			491,638		493,381
Current assets					
Stocks	10	598,520		593,857	
Debtors	11	281,303		336,593	
Cash at bank and in hand		1,731		2,974	
		881,554		933,424	
Creditors: Amounts falling due within one year	13	(334,812)		(325,365)	
Net current assets			546,742		608,059
Total assets less current liabilities			1,038,380		1,101,440
Capital and reserves					
Called-up share capital	15		48,191		48,191
Profit and loss account			990,189		1,053,249
Shareholders' funds (including non-equity interests)	16		1,038,380		1,101,440

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 17 June 2004 and are signed on their behalf by:

C W Knights



The notes on pages 9 to 15 form part of these abbreviated accounts.

The Yarmouth Stores Limited

Cash flow statement

Year ended 31 January 2004

	Note	2004 £	£	2003 £	£
Net cash outflow from operating activities	17		(43,992)		(14,074)
Returns on investments and servicing of finance					
Income from other fixed asset investments		749		717	
Interest received		1		-	
Interest paid		<u>(4,817)</u>		<u>(3,346)</u>	
Net cash outflow from returns on investments and servicing of finance			(4,067)		(2,629)
Taxation			26,346		-
Capital expenditure					
Payments to acquire tangible fixed assets		(27,620)		(16,100)	
Receipts from sale of fixed assets		<u>4,000</u>		<u>9,750</u>	
Net cash outflow from capital expenditure			(23,620)		(6,350)
Decrease in cash	18		<u>(45,333)</u>		<u>(23,053)</u>

The notes on pages 9 to 15 form part of these abbreviated accounts.

The Yarmouth Stores Limited

Notes to the abbreviated accounts

Year ended 31 January 2004

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

The turnover shown in the profit and loss account represents the amount of goods and services provided during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- Over the period of the lease
Fixtures, fittings and plant and machinery	- 20% straight line
Motor Vehicles	- 20% straight line

The directors are advised that the value of the freehold land and buildings is materially in excess of £357,166, at which it is included in the accounts. For this reason, and because a constant programme of maintenance is followed, provision has not been made for depreciation of the freehold land and buildings as the amount would be negligible.

Stocks

Stocks are stated at the lower of cost and net realisable value, less a reserve of £5,000, set up in previous years. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

The Yarmouth Stores Limited

Notes to the abbreviated accounts

Year ended 31 January 2004

1. Accounting policies *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. Operating loss

Operating loss is stated after charging/(crediting):

	2004	2003
	£	£
Depreciation of owned fixed assets	26,194	28,471
Profit on disposal of fixed assets	(831)	(2,811)
Auditors' remuneration		
- as auditors	<u>5,250</u>	<u>5,250</u>

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2004	2003
	No	No
Number of production staff	49	54
Number of distribution staff	15	18
Number of administrative staff	6	6
	<u>70</u>	<u>78</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	769,182	814,444
Social security costs	60,488	59,308
Other pension costs	24,883	29,436
	<u>854,553</u>	<u>903,188</u>

The Yarmouth Stores Limited

Notes to the abbreviated accounts

Year ended 31 January 2004

4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2004	2003
	£	£
Emoluments receivable	92,847	92,111
Value of company pension contributions to money purchase schemes	8,443	10,596
	<u>101,290</u>	<u>102,707</u>

The number of directors who were accruing benefits under company pension schemes was as follows:

	2004	2003
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

5. Income from fixed asset investments

	2004	2003
	£	£
Income from fixed asset investments - listed	<u>749</u>	<u>717</u>

6. Interest payable

	2004	2003
	£	£
Interest payable on bank borrowing	<u>4,817</u>	<u>3,346</u>

The Yarmouth Stores Limited

Notes to the abbreviated accounts

Year ended 31 January 2004

7. Tax on loss on ordinary activities

	2004		2003	
	£	£	£	£
Deferred tax:				
Decrease in deferred tax provision (note 12)				
Capital allowances	(800)		624	
Trading losses carried forward	(13,173)		(13,831)	
Total deferred tax (note 12)		(13,973)		(13,207)

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is

	2004	2003
	£	£
Loss on ordinary activities before taxation	(77,033)	(37,890)
Loss on ordinary activities by rate of tax	(14,636)	(6,244)
Effects of:		
Depreciation on assets not attracting capital allowances	371	371
Capital allowances for the period in excess of depreciation	—	(210)
Depreciation for the period in excess of capital allowances	798	—
Trading losses for the year carried forward	13,173	6,221
Untaxed income	(142)	(138)
Sundry tax adjusting items	436	—
Total current tax	—	—

8. Tangible fixed assets

	Freehold Property £	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost					
At 1 February 2003	357,167	117,203	179,488	107,586	761,444
Additions	—	—	2,125	25,495	27,620
Disposals	—	—	—	(23,891)	(23,891)
At 31 January 2004	357,167	117,203	181,613	109,190	765,173
Depreciation					
At 1 February 2003	—	36,714	156,372	75,648	268,734
Charge for the year	—	2,115	9,560	14,519	26,194
On disposals	—	—	—	(20,722)	(20,722)
At 31 January 2004	—	38,829	165,932	69,445	274,206
Net book value					
At 31 January 2004	357,167	78,374	15,681	39,745	490,967
At 31 January 2003	357,167	80,489	23,116	31,938	492,710

The Yarmouth Stores Limited

Notes to the abbreviated accounts

Year ended 31 January 2004

9. Investments

	Listed investments £
Cost	
At 1 February 2003 and 31 January 2004	<u>671</u>
Net book value	
At 31 January 2004	<u>671</u>
At 31 January 2003	<u>671</u>

The above investment consists of 4,218 ordinary 25p shares fully paid in Cosalt Plc. The market value of this investment at 31st January 2004 was approximately £15,400 (2003: £11,900).

10. Stocks

	2004 £	2003 £
Raw materials	29,765	43,814
Work in progress	24,655	10,508
Finished goods	544,100	539,535
	<u>598,520</u>	<u>593,857</u>

11. Debtors

	2004 £	2003 £
Trade debtors	234,915	302,342
Prepayments and accrued income	19,208	21,044
Deferred taxation (note 12)	27,180	13,207
	<u>281,303</u>	<u>336,593</u>

12. Deferred taxation

The movement in the deferred taxation account during the year was:

	2004 £	2003 £
Balance brought forward	(13,207)	—
Profit and loss account movement arising during the year	(13,973)	(13,207)
Balance carried forward	<u>(27,180)</u>	<u>(13,207)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2004 £	2003 £
Excess of taxation allowances over depreciation on fixed assets	176	(624)
Trading losses carried forward	27,004	13,831
	<u>27,180</u>	<u>13,207</u>

The Yarmouth Stores Limited

Notes to the abbreviated accounts

Year ended 31 January 2004

13. Creditors: Amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	96,111	52,021
Trade creditors	136,007	139,179
PAYE and social security	17,449	17,816
VAT	33,652	45,276
Other creditors	51,593	71,073
	<u>334,812</u>	<u>325,365</u>

The bank overdraft is secured by a mortgage over some of the company's freehold property.

14. Commitments under operating leases

At 31 January 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & buildings 2004 £	2003 £
Operating leases which expire: After more than 5 years	<u>7,115</u>	<u>7,115</u>

15. Share capital

Authorised share capital:

	2004 £	2003 £
62,000 Ordinary shares of £1 each	62,000	62,000
10,000 4.2% 'A' Preference shares of £1 each	10,000	10,000
8,000 3.5% 'B' Preference shares of £1 each	8,000	8,000
	<u>80,000</u>	<u>80,000</u>

Allotted, called up and fully paid:

	2004 No	£	2003 No	£
Ordinary shares	34,732	34,732	34,732	34,732
4.2% 'A' Preference shares	7,359	7,359	7,359	7,359
3.5% 'B' Preference shares	6,100	6,100	6,100	6,100
	<u>48,191</u>	<u>48,191</u>	<u>48,191</u>	<u>48,191</u>

16. Reconciliation of movements in shareholders' funds

Equity shareholders' funds

	2004 £	2003 £
Loss for the financial year	(63,060)	(24,683)
Opening shareholders' equity funds	1,087,981	1,112,664
Closing shareholders' equity funds	<u>1,024,921</u>	<u>1,087,981</u>

The Yarmouth Stores Limited

Notes to the abbreviated accounts

Year ended 31 January 2004

16. Reconciliation of movements in shareholders' funds *(continued)*

Non-equity shareholders' funds

Opening and closing shareholders' non-equity funds	<u>13,459</u>	<u>13,459</u>
Total shareholders' funds	<u>1,038,380</u>	<u>1,101,440</u>

17. Reconciliation of operating loss to Net cash outflow from operating activities

	2004	2003
	£	£
Operating loss	(72,966)	(35,261)
Depreciation	26,194	28,471
Profit on disposal of fixed assets	(831)	(2,811)
(Increase)/decrease in stocks	(4,663)	24,055
Decrease/(increase) in debtors	42,917	(45,650)
(Decrease)/increase in creditors	(34,643)	17,122
Net cash outflow from operating activities	<u>(43,992)</u>	<u>(14,074)</u>

18. Reconciliation of net cash flow to movement in net debt

	2004	2003
	£	£
Decrease in cash in the period	(45,333)	(23,053)
Movement in net debt in the period	(45,333)	(23,053)
Net debt at 1 February 2003	(49,047)	(25,994)
Net debt at 31 January 2004	<u>(94,380)</u>	<u>(49,047)</u>

19. Analysis of changes in net debt

	At	Cash flows	At
	1 Feb 2003		31 Jan 2004
	£	£	£
Net cash:			
Cash in hand and at bank	2,974	(1,243)	1,731
Overdrafts	(52,021)	(44,090)	(96,111)
Net debt	<u>(49,047)</u>	<u>(45,333)</u>	<u>(94,380)</u>