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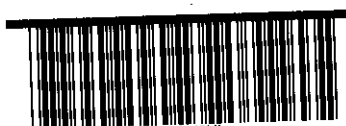
Registered number
166478

H E WILLIAMS & CO LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

31 JANUARY 2002

Scrutton Bland
Chartered Accountants
Colchester



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H E WILLIAMS & CO LIMITED

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H E WILLIAMS & CO LIMITED

DIRECTORS, OFFICERS AND ADVISERS

Directors	W R Ireland P A Ireland T W Glover Mrs R S Fisher
Secretary	J G Christie
Registered Office	152 High Street Colchester CO1 1PN
Registered Number	166478
Auditors	Scrutton Bland 18 Sir Isaac's Walk Colchester CO1 1JL
Bankers	HSBC Bank plc 26 High Street Colchester CO1 1DQ
Solicitors	Goody's 12 St Peters Court Colchester CO1 1WJ

H E WILLIAMS & CO LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the eighty second Annual General Meeting of the members of H E Williams & Co Limited will be held at Milsoms, Dedham, Colchester on 31 July 2002 at 12.30 p.m. for the following purposes :

- 1 To consider and, if thought fit, adopt the financial statements and the reports of the directors and auditors for the year ended 31 January 2002.
- 2 Interim dividends of 175p per share have been authorised by the directors. The directors propose a final dividend of 75p per share.
- 3 To re-elect the following director retiring by rotation :

T W Glover
- 4 To appoint auditors and to authorise the directors to fix their remuneration.

Scrutton Bland, Chartered Accountants, have intimated their willingness to accept re-appointment.
- 5 To transact any other ordinary business of the company.

By order of the board


J G Christie

Secretary

Date : 29 May 2002

A member of the company entitled to attend and vote at a General Meeting is entitled to appoint one or more proxies to attend and vote instead of him, upon a poll. A proxy need not also be a member of the Company.

H E WILLIAMS & CO LIMITED

DIRECTORS' REPORT

The directors present their annual report and the consolidated financial statements of the group for the year ended 31 January 2002.

Principal activity, review of business and future developments

The principal activity of the group in the year under review has continued to be the operation of a departmental store.

A summary of the results of the year's trading is given on page 6 of the financial statements. The group experienced a satisfactory trading year.

The directors have considered the value of the goodwill acquired on the purchase of Jane of Newmarket Limited. In the opinion of the directors, the goodwill acquired has no further value, and as such, has been written off during the year. This has resulted in an exceptional charge of £720,000 against the group's results for the year.

Results and dividends

The group loss for the year, after taxation, amounted to £632,993 (2001 : £50,270).

The directors authorised interim dividends of 175p per share and have proposed a final dividend of 75p per share

Fixed assets

In the opinion of the directors, the market value of the company's freehold land and buildings is in excess of their book value, but they do not feel that the expense of valuing them professionally is justifiable in view of the intention to continue to use them for the business.

Directors

The directors, who served the company throughout the year, unless otherwise stated, and their beneficial interests in the company's issued ordinary share capital, were as follows:

		2001
P J Ireland (deceased 2 April 2002)	4,873	4,873
W R Ireland	4,872	4,872
P A Ireland	4,872	4,872
T W Glover	805	805
Mrs R S Fisher	4,000	4,000

T W Glover retires from the board and, being eligible, offers himself for re-election.

H E WILLIAMS & CO LIMITED

DIRECTORS' REPORT

Directors responsibilities for the financial statements

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 group and of the profit or loss of the group for that year. 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;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 of the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Political and charitable contributions

Charitable contributions made during the year totalled £3,007.

Auditors

A resolution to re-appoint Scrutton Bland as auditors to the company will be put to the members at the Annual General Meeting.

Signed on behalf of the board



P A Ireland

Director

Approved by the board on

29 May 2002

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF H E WILLIAMS & CO LIMITED

We have audited the financial statements on pages 6 to 23, which have been prepared under the historical cost convention as modified by the revaluation of investment property and the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

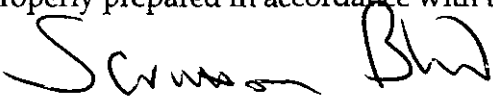
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group'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 affairs of the company and of the group as at 31 January 2002 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


SCRUTTON BLAND
Chartered Accountants
and Registered Auditors
Colchester

29 May 2002

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2002**

	Notes	£	2001 £
Turnover	2	18,247,228	15,491,287
Cost of sales		(11,577,551)	(9,744,755)
Gross profit		6,669,677	5,746,532
Administrative expenses		(6,402,554)	(5,892,476)
Operating profit/(loss)	3	267,123	(145,944)
Other interest receivable and similar income		38,208	90,205
Interest payable and similar charges	6	(2,111)	(4,358)
Amortisation of goodwill	9	(90,000)	(90,000)
Exceptional item	9	(720,000)	-
Loss on ordinary activities before taxation		(506,780)	(150,097)
Tax on loss on ordinary activities	7	(126,213)	99,827
Loss on ordinary activities after taxation		(632,993)	(50,270)
Dividends	8	(84,894)	(84,896)
Retained loss for the financial year	17	£ (717,887)	£ (135,166)

CONTINUING OPERATIONS

The group acquired a ladies fashion retailer, Jane of Newmarket, on 1 August 2000.

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 JANUARY 2002**

		2001
	£	£
Loss for the financial year after taxation	(632,993)	(50,270)
Unrealised surplus on revaluation of property	-	434,100
Total recognised (losses)/gains relating to the year	£ (632,993)	£ 383,830

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2002**

	Notes	£	2001 £
Fixed assets			
Intangible assets	9	-	810,000
Tangible assets	10	2,807,164	3,046,775
Investments	11	162,542	153,797
		<u>2,969,706</u>	<u>4,010,572</u>
Current assets			
Stocks	12	1,725,444	1,638,500
Debtors	13	315,588	412,079
Cash at bank and in hand		2,271,861	1,811,032
		<u>4,312,893</u>	<u>3,861,611</u>
Creditors: amounts falling due within one year	14	2,278,291	2,116,197
Net current assets		<u>2,034,602</u>	<u>1,745,414</u>
Total assets less current liabilities		5,004,308	5,755,986
Provisions for liabilities and charges			
Deferred taxation	15	10,072	(23,719)
		<u>£ 5,014,380</u>	<u>£ 5,732,267</u>
Capital and reserves			
Called up share capital	16	33,958	33,958
Share premium account	17	73,338	73,338
Capital redemption reserve	17	62,711	62,711
Capital reserve	17	285,362	285,362
Revaluation reserve	17	434,100	434,100
Profit and loss account	17	4,124,911	4,842,798
Shareholders' funds - equity interests	18	<u>£ 5,014,380</u>	<u>£ 5,732,267</u>

The financial statements were approved by the directors on

W R Ireland

P A Ireland

Directors

H E WILLIAMS & CO LIMITED

COMPANY BALANCE SHEET AS AT 31 JANUARY 2002

	Notes		2001
		£	£
Fixed assets			
Tangible assets	10	1,538,882	1,559,145
Investments	11	745,849	1,645,849
		<u>2,284,731</u>	<u>3,204,994</u>
Current assets			
Debtors	13	1,679,703	1,870,515
Cash at bank and in hand		4,347	-
		<u>1,684,050</u>	<u>1,870,515</u>
Creditors: amounts falling due within one year	14	346,208	419,451
Net current assets		<u>1,337,842</u>	<u>1,451,064</u>
Total assets less current liabilities		<u>£ 3,622,573</u>	<u>£ 4,656,058</u>
Capital and reserves			
Called up share capital	16	33,958	33,958
Share premium account	17	73,338	73,338
Capital redemption reserve	17	62,711	62,711
Capital reserve	17	202,640	202,640
Revaluation reserve	17	434,100	434,100
Profit and loss account	17	2,815,826	3,849,311
Shareholders' funds - equity interests	18	<u>£ 3,622,573</u>	<u>£ 4,656,058</u>

The financial statements were approved by the directors on 29 MAY 2002

W R Ireland

P A Ireland

Directors

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 JANUARY 2002**

	Notes	£	£	2001	
		£	£	£	£
Net cash inflow from operating activities	22		686,090		483,327
Returns on investments and servicing of finance					
Interest received		38,208		90,205	
Interest paid		(2,111)		(4,358)	
			36,097		85,847
Taxation					
Corporation tax received			81,555		12,285
Capital expenditure and financial investment					
Purchase of investments		(8,745)		(9,146)	
Purchase of intangible fixed assets		-		(900,000)	
Purchase of tangible fixed assets		(363,968)		(254,897)	
Sale of tangible fixed assets		13,516		10,900	
			(359,197)		(1,153,143)
Equity dividends paid			(101,874)		(84,896)
Net cash inflow/(outflow) before financing			342,671		(656,580)
Increase/(decrease) in cash	23		<u>£ 342,671</u>		<u>£ (656,580)</u>

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2002**

1 ACCOUNTING POLICIES

Basis of consolidation and accounting

The consolidated financial statements incorporate the financial statements of H E Williams & Co Limited and its two trading subsidiaries, Williams & Griffin Limited and Jane of Newmarket Limited.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property and in accordance with applicable accounting standards.

Goodwill arising on consolidation

Purchased goodwill arising on consolidation is normally amortised over its estimated economic useful life which the directors consider to be 10 years from acquisition. The goodwill has been subject to an impairment review and the directors have decided that it should be fully written off.

Turnover

Turnover represents the total amount receivable by the group in respect of goods and services in the ordinary course of its trade (including sales in concession departments).

Investments

Investments in subsidiary undertakings are shown at cost less provision for diminution in value in the company accounts.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- 2% on cost per annum.
Leasehold property	- Amortised by equal instalments over the term of the lease
Motor vehicles	- 25% on cost per annum
Plant, fixtures and equipment	- 15% on cost per annum
Computers	- 33 1/3% on cost per annum

No depreciation is provided on freehold land.

Freehold investment property is included in the accounts at valuation as required by SSAP19. No depreciation is provided in respect of this property. This is a departure from the Companies Act 1985 which requires the systematic annual depreciation of fixed assets. The directors believe that it is inappropriate to charge depreciation because the property is now held for its investment potential. The departure from the Companies Act 1985 requirements is therefore necessary in order for the financial statements to give a true and fair view.

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2002**

1 ACCOUNTING POLICIES - (continued)

Stocks

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

Taxation

The charge for taxation is based on the result for the year. The charge takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred taxation to the extent that, in the opinion of the directors, there is reasonable probability that the liability will arise in the foreseeable future. The rate of tax used is that which is expected to be applied when the liability is expected to crystallise.

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

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 arising in the normal course of trading are dealt with in the profit and loss account for the year.

Pension costs

The group operates a pensions fund providing benefits based on final pensionable pay. The assets are held in a separate fund and are administered by trustees. Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group.

The group also contributes to a group personal pension scheme in respect of certain employees and to a money purchase pension scheme in respect of certain directors and employees. Contributions are charged to the profit and loss account for the year in which they are payable to the scheme.

Related party disclosures

The company owns 100% of the issued share capital of its subsidiary undertakings and produces consolidated financial statements. It has therefore taken advantage of the exemptions contained in paragraph 17 of Financial Reporting Standard 8 (Related Party Disclosures) in respect of the disclosure of transactions between this company and entities that are part of the group.

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2002**

2 TURNOVER

The turnover is mainly attributable to the principal activity of the group and is wholly generated within the United Kingdom.

Turnover includes £4,237,792 (2001 : £3,882,723) relating to sales made by concession departments.

3 GROUP OPERATING PROFIT

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

		2001
	£	£
Loss/(profit) on disposal of tangible fixed assets	2,384	(7,590)
Depreciation of tangible fixed assets	587,679	669,856
Operating lease rentals : plant and machinery	3,729	759
: other	158,525	147,989
Auditors' remuneration in respect of audit services	13,800	14,000
Directors' emoluments (see below)	515,073	641,369
	<hr/>	<hr/>
Directors' remuneration		
Directors' emoluments	515,073	557,595
Company pension contributions	-	83,774
	<hr/>	<hr/>
	£ 515,073	£ 641,369

Contributions to a money purchase pension scheme are made on behalf of Nil (2001 : 2) directors.

The highest paid director received aggregate emoluments of £194,607 (2001 : £194,154) and contributions of £Nil (2001 : £36,603) were made to a money purchase pension scheme on his behalf.

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2002**

4 GROUP STAFF COSTS

		2001
	£	£
Wages and salaries	3,581,325	3,179,098
Social security costs	269,278	230,435
Other pension costs	161,218	259,022
	<u>£ 4,011,821</u>	<u>£ 3,668,555</u>
The average monthly number of employees during the year was made up as follows :		
Office and management	33	33
Sales	235	234
	<u>268</u>	<u>267</u>

5 LOSS FOR THE FINANCIAL YEAR

The company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group loss for the year includes a loss of £948,591 (2001 : Profit £42,911) which is dealt with in the financial statements of the parent company.

6 GROUP INTEREST PAYABLE

		2001
	£	£
Bank loans and overdrafts	2,111	3,616
Other interest	-	742
	<u>£ 2,111</u>	<u>£ 4,358</u>

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2002**

7 GROUP TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES

		2001
	£	£
Based on the loss for the year		
Corporation tax at 30% (2001 : 26%)	163,114	82,595
Overprovision previous years	(3,110)	(139,952)
Deferred taxation	(33,791)	(42,470)
	<u>£ 126,213</u>	<u>£ (99,827)</u>

8 DIVIDENDS

		2001
	£	£
On ordinary shares -		
interim 175p (2001 : interim 125p)	59,425	42,448
final 75p (2001 : final 125p)	25,469	42,448
	<u>£ 84,894</u>	<u>£ 84,896</u>

9 INTANGIBLE FIXED ASSETS

		2001
	£	£
The group		
Purchased goodwill on acquisition of subsidiary undertaking		
At 31 January 2001	810,000	-
Goodwill acquired	-	900,000
Goodwill written off in year	(90,000)	(90,000)
Exceptional item - goodwill written off	(720,000)	-
At 31 January 2002	<u>£ -</u>	<u>£ 810,000</u>

The directors have reviewed the trading position of the subsidiary undertaking and are of the opinion that the purchased goodwill now has no value to the group.

Provision has therefore been made against the remaining goodwill of £720,000.

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2002**

10 TANGIBLE FIXED ASSETS

The Group	Freehold land and buildings £	Leasehold property £	Motor vehicles £	Plant fixtures and equipment £	Total £
Cost					
At 1 February 2001	2,052,454	48,336	241,929	3,789,585	6,132,304
Additions	-	-	66,131	297,837	363,968
Disposals	-	-	(94,137)	(138,548)	(232,685)
At 31 January 2002	2,052,454	48,336	213,923	3,948,874	6,263,587
Depreciation					
At 1 February 2001	398,068	41,002	172,276	2,474,183	3,085,529
Charge for year	19,280	2,202	49,141	517,056	587,679
On disposals	-	-	(78,237)	(138,548)	(216,785)
At 31 January 2002	417,348	43,204	143,180	2,852,691	3,456,423
Net book values					
At 31 January 2002	<u>£ 1,635,106</u>	<u>£ 5,132</u>	<u>£ 70,743</u>	<u>£ 1,096,183</u>	<u>£ 2,807,164</u>
At 31 January 2001	<u>£1,654,386</u>	<u>£7,334</u>	<u>£69,653</u>	<u>£1,315,402</u>	<u>£3,046,775</u>

Included in freehold land and buildings is an investment property valued at £450,000 which is not depreciated. The property was valued at its open market value for existing use by the directors on 31 January 2001. The property had previously been occupied by the company and depreciation had been charged. The depreciation provision has now been reversed following the reclassification of the property as an investment property.

On the historical cost basis, freehold investment property would have been included as follows :

Cost	
At 31 January 2001 and 2002	<u>£ 22,500</u>
Depreciation	
At 31 January 2002	<u>£ 7,200</u>
At 31 January 2001	<u>£ 6,900</u>

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2002**

10 TANGIBLE FIXED ASSETS - (continued)

	Freehold land and buildings £	Leasehold property £	Total £
The Company			
Cost			
At 1 February 2001	1,953,532	24,586	1,978,118
At 31 January 2002	1,953,532	24,586	1,978,118
Depreciation			
At 1 February 2001	398,067	20,906	418,973
Charge for year	19,280	983	20,263
At 31 January 2002	417,347	21,889	439,236
Net book values			
At 31 January 2002	<u>£ 1,536,185</u>	<u>£ 2,697</u>	<u>£ 1,538,882</u>
At 31 January 2001	<u>£ 1,555,465</u>	<u>£ 3,680</u>	<u>£ 1,559,145</u>

Included in freehold land and buildings is an investment property valued at £450,000 which is not depreciated. The property was valued at its open market value for existing use by the directors on 31 January 2001. The property had previously been occupied by the company and depreciation had been charged. The depreciation provision has now been reversed following the reclassification of the property as an investment property.

On the historical cost basis, freehold investment property would have been included as follows :

Cost	
At 31 January 2001 and 2002	<u>£ 22,500</u>
Depreciation	
At 31 January 2002	<u>£ 7,200</u>
At 31 January 2001	<u>£ 6,900</u>

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2002**

11 INVESTMENTS

		2001
	£	£
The Group		
Premiums paid on life policies (of which the surrender value is £228,380)	150,592	141,847
A.I.S. Debenture (at cost)	11,950	11,950
	<u>£ 162,542</u>	<u>£ 153,797</u>

		2001
	£	£
The Company		
Subsidiary companies :		
Cost at 1 February 2001	1,645,849	429,450
Addition during year	-	1,216,399
Provision for diminution in value	(900,000)	-
Cost at 31 January 2002	<u>£ 745,849</u>	<u>1,645,849</u>

Provision has been made to eliminate the amount paid for the excess over net assets on the acquisition of Jane of Newmarket Limited.

Subsidiary companies - interests

The subsidiary companies, both of which are registered in England and are wholly owned, are :

Williams & Griffin Limited	-	operates a departmental store
Jane of Newmarket Limited	-	ladies fashion retailer

The company has waived its right to receive any unpaid dividends from Williams and Griffin Limited as at 31 January 2002.

**H E WILLIAMS & CO LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2002**

12 STOCKS

	The group		The company	
		2001		2001
Goods for resale	<u>£ 1,725,444</u>	<u>£ 1,638,500</u>	<u>£ -</u>	<u>£ -</u>

If valued at replacement cost at 31 January 2002 goods for resale would amount to £1,856,111 (2001 : £1,796,055).

13 DEBTORS

	The group		The company	
		2001		2001
	£	£	£	£
Trade debtors	163,665	104,177	-	-
Amounts owed by subsidiary undertakings	-	-	1,160,940	1,188,014
Other debtors	37,096	200,722	33,763	197,501
Prepayments and accrued income	114,827	107,180	485,000	485,000
	<u>£ 315,588</u>	<u>£ 412,079</u>	<u>£ 1,679,703</u>	<u>£ 1,870,515</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The company	
		2001		2001
	£	£	£	£
Trade creditors	1,039,966	1,056,890	-	-
Bank overdraft	171,254	53,096	-	53,096
Corporation tax	162,994	84,147	-	-
Other taxes and social security costs	466,190	470,126	90,717	94,134
Other creditors	458	25,360	458	458
Accruals	411,960	384,130	229,564	229,315
Proposed dividend	25,469	42,448	25,469	42,448
	<u>£ 2,278,291</u>	<u>£ 2,116,197</u>	<u>£ 346,208</u>	<u>£ 419,451</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15 DEFERRED TAXATION

Deferred taxation provided in the financial statements and the potential amounts, including the amounts for which provision has been made, are as follows:

	Provision		Potential	
		2001		2001
	£	£	£	£
The group				
Capital allowances in advance of depreciation	(8,549)	24,746	(8,549)	24,337
Other timing differences	(1,523)	(1,027)	(1,523)	(1,027)
	<u>£ (10,072)</u>	<u>£ 23,719</u>	<u>£ (10,072)</u>	<u>£ 23,310</u>
The company				
Capital allowances in advance of depreciation	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

No deferred tax is provided on the revaluation of the investment property as the directors consider that the possibility of selling the property is too remote.

16 CALLED UP SHARE CAPITAL

	2001	
Authorised :		
41,208 ordinary shares of £1 each	<u>£ 41,208</u>	<u>£ 41,208</u>
Allotted, called up and fully paid :		
33,958 ordinary shares of £1 each	<u>£ 33,958</u>	<u>£ 33,958</u>

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17 RESERVES

	Capital redemption £	Share premium £	Capital reserve £	Revaluation reserve £	Profit and loss account £
The Group					
At 31 January 2001	62,711	73,338	285,362	434,100	4,842,798
Retained loss for the year	-	-	-	-	(717,887)
At 31 January 2002	<u>£ 62,711</u>	<u>£ 73,338</u>	<u>£ 285,362</u>	<u>£ 434,100</u>	<u>£ 4,124,911</u>
The Company					
At 31 January 2001	62,711	73,338	202,640	434,100	3,849,311
Retained loss for the year	-	-	-	-	(1,033,485)
At 31 January 2002	<u>£ 62,711</u>	<u>£ 73,338</u>	<u>£ 202,640</u>	<u>£ 434,100</u>	<u>£ 2,815,826</u>

18 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	The group		The company	
	£	2001 £	£	2001 £
(Loss)/profit for the financial year after taxation	(632,993)	(50,270)	(948,591)	42,911
Dividends	(84,894)	(84,896)	(84,894)	(84,896)
Revaluation of fixed assets	-	434,100	-	434,100
	(717,887)	298,934	(1,033,485)	392,115
Opening shareholders' funds at 1 February 2001	5,732,267	5,433,333	4,656,058	4,263,943
Closing shareholders' funds at 31 January 2002	<u>£ 5,014,380</u>	<u>£ 5,732,267</u>	<u>£ 3,622,573</u>	<u>£ 4,656,058</u>

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19 CONTINGENT LIABILITY

The company

The company has given an unlimited guarantee to the group's bankers in respect of its subsidiary undertaking.

20 COMMITMENTS

Capital commitments

At 31 January 2002 capital expenditure of £Nil (2001: £Nil) was contracted for but not provided for in the financial statements.

Pension commitments

Williams & Griffin Limited operates a pension scheme on behalf of its directors and certain employees providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company in an independently administered fund. In December 2000 the decision was taken to close the final salary pension scheme and for the scheme to be treated as paid up with effect from 31 March 2001. It has not been practical to obtain the additional disclosures required by FRS 17, and the information below is therefore based on the SSAP 24 disclosure requirements.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the average remaining service lives of the members. The contributions are determined by a qualified actuary, employed by Sun Life, on the basis of triennial valuations using the projected unit funding method.

The most recent actuarial valuation was at 1 January 2001. This stated the value of the schemes assets to be £1,315,350, representing 98% of the accrued liabilities to that date. The assumptions used in the valuation at 1 January 2001 which have the most significant effect on the results of the valuation were the investment return, assumed to be 6.5% per annum, and the rate of salary increases, assumed to be 5.0% per annum.

The company and one of its subsidiaries also contribute to a group personal pension scheme and a money purchase pension schemes in respect of certain directors and employees. At 31 January 2002 the group had annual commitments to these schemes of £112,926 (2001 : £141,624). There were unpaid contributions at the end of the year of £5,076 (2001 : £5,135).

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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21 RELATED PARTIES

H E Williams & Co Limited is controlled by the Ireland family. The company's subsidiary undertakings are disclosed in note 11 of these financial statements. Transactions with the subsidiary undertaking are eliminated on consolidation.

The amount owed to the company by Williams & Griffin Limited and Jane of Newmarket Limited at the year end are disclosed in note 13 of these financial statements and are as follows :

Owed by Williams & Griffin Limited	£1,160,940
Owed to Jane of Newmarket Limited	£Nil

22 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO OPERATING CASH FLOWS

		2001
	£	£
Operating profit/(loss)	267,123	(145,944)
Depreciation	587,679	669,856
Loss/(profit) on disposal of fixed assets	2,384	(7,590)
(Increase) in stocks	(86,944)	(393,964)
(Increase) in debtors	(66,220)	(13,250)
(Decrease)/increase in creditors	(17,932)	374,219
Net cash inflow from operating activities	£ 686,090	£ 483,327

23 ANALYSIS OF NET DEBT

	At 31 January 2001 £	Cash flow £	Other changes £	At 31 January 2002 £
Cash at bank and in hand	1,811,032	460,829	-	2,271,861
Bank overdraft	(53,096)	(118,158)	-	(171,254)
	£ 1,757,936	£ 342,671	£ -	£ 2,100,607