

**WILLIAM WALTER ANTIQUES LTD
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1999**

Company No. 841011



WILLIAM WALTER ANTIQUES LTD

COMPANY INFORMATION

Directors

Mr R. W. Walter
Mr J.W. Walter
Mrs M.C. Walter

Secretary

Miss E.A. Simpson

Company Number

841011

Registered Office

The London Silver Vaults
Chancery House
Chancery lane
London
WC2A 1QS

Auditors

MacIntyre Hudson
Greenwood House
4/7 Salisbury Court
London
EC4Y 8BT

Bankers

Midland Bank
High Holborn
210 High Holborn
London
WC1V 7BZ

WILLIAM WALTER ANTIQUES LTD

CONTENTS

	Page
Directors' Report	1 to 2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Accounts	6 to 10

WILLIAM WALTER ANTIQUES LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1999

The directors present their report together with the audited accounts for the year ended 31st December 1999.

Principal Activities

The company's principal activity continued to be that of dealing in antique and modern silverware.

Year 2000 Disclosure

The company has not encountered any problems relating to the year 2000 and no problems are anticipated.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary Shares	
	31st December 1999	1st January 1999
Mr R. W. Walter	10,000	10,000
Mr J.W. Walter	3,750	3,750
Mrs M.C. Walter	7,500	7,500

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution proposing that MacIntyre Hudson be re-appointed as auditors of the company will be put to the annual General Meeting.

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 the company's affairs and of the profit or loss for that year. In preparing these accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

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 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.

WILLIAM WALTER ANTIQUES LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1999

Small company exemptions

The report of the Directors' has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and was approved by the board on 6th July 2000, and signed on its behalf.

Elizabeth Simpson.

Miss E.A. Simpson, Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF WILLIAM WALTER ANTIQUES LTD

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and 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 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 the 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 31st December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

MacIntyre Hudson

MacIntyre Hudson
Chartered Accountants and Registered Auditors
Greenwood House
4/7 Salisbury Court
London
EC4Y 8BT
Date: 6th July 2000

WILLIAM WALTER ANTIQUES LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1999

	Notes	1999 £	1998 £
Turnover	2	1,190,251	1,005,329
Cost of Sales		(475,927)	(441,919)
Gross Profit		714,324	563,410
Distribution Costs		(6,324)	(4,874)
Administrative Expenses		(432,625)	(410,966)
		275,375	147,570
Interest receivable and similar income		36,797	126,924
Profit on Ordinary Activities before Taxation	3	312,172	274,494
Tax on profit on ordinary activities	5	(66,977)	(57,026)
Profit for the Financial Year		245,195	217,468
Dividends		70,000	70,000
Retained Profit for the Year		175,195	147,468
Retained Profit Brought Forward		1,802,220	1,654,752
Retained Profit Carried Forward		1,977,415	1,802,220

There were no recognised gains or losses for 1999 or 1998 other than those included in the profit and loss account.

WILLIAM WALTER ANTIQUES LTD

BALANCE SHEET

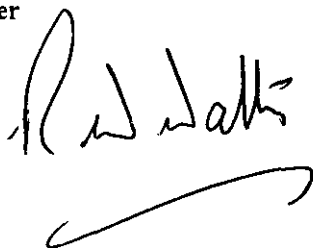
AS AT 31ST DECEMBER 1999

	Notes	£	1999 £	£	1998 £
Fixed Assets					
Tangible assets	6		86,020		98,786
Current Assets					
Stocks	7	896,766		852,084	
Debtors	8	58,486		30,598	
Current asset investments	10	960,745		815,042	
Cash at bank and in hand		262,920		247,532	
		2,178,917		1,945,256	
Creditors: Amounts Falling Due Within One Year	11	(262,522)		(216,822)	
Net Current Assets			1,916,395		1,728,434
Total Assets Less Current Liabilities			2,002,415		1,827,220
Capital and Reserves					
Share capital	12		25,000		25,000
Profit and loss account			1,977,415		1,802,220
Shareholders' Funds	13		2,002,415		1,827,220

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

These accounts were approved by the board on 6th July 2000 and signed on its behalf.

Mr R. W. Walter
Director



WILLIAM WALTER ANTIQUES LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is provided using the following rates and bases to write off all tangible fixed assets over their expected useful lives. The rates and periods generally applicable are:

Leasehold properties	Straight line over life of the lease
Motor vehicles	25% Written down value
Fixtures and fittings	15% Written down value

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of current asset investments are treated as part of the result from ordinary activities.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

Contribution to Pension Funds

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

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.

WILLIAM WALTER ANTIQUES LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating Profit

The operating profit is arrived at after charging or crediting:

	1999	1998
	£	£
Depreciation of owned assets	32,421	31,662
Profit on disposal of fixed assets	(2,915)	(7,664)
Operating leases - land and buildings	53,883	51,467
Auditors' remuneration	8,401	7,550

4 Directors and Employees

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

	1999	1998
	£	£
Wages and salaries	240,065	231,141
Social security costs	29,485	26,018
Other pension costs	25,500	25,500
Other costs	406	3,092

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

	1999	1998
	Number	Number
Sales	3	3
Administration	2	2

Directors' emoluments

	1999	1998
	£	£
Emoluments	167,001	160,629
Directors' pension contributions under defined contribution schemes	21,000	21,000

Retirement benefits were accruing to directors under schemes as follows:-

	1999	1998
	Number	Number
Money purchase schemes	2	2

WILLIAM WALTER ANTIQUES LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

5 Taxation

	1999 £	1998 £
Based on the profit for the year		
UK corporation tax at 31% and 30% (1998: 21%)	66,977	52,710
Tax attributable to franked investment income	-	4,314
	<u>66,977</u>	<u>57,024</u>
Prior periods		
UK corporation tax	-	2
	<u>66,977</u>	<u>57,026</u>

6 Tangible Fixed Assets

	Short Leasehold Property	Motor Vehicles	Fixtures and Fittings	Total
Cost	£	£	£	£
At 1st January 1999	7,500	110,891	60,979	179,370
Additions	-	29,315	2,625	31,940
Disposals	-	(26,381)	(1,115)	(27,496)
At 31st December 1999	7,500	113,825	62,489	183,814
Depreciation				
At 1st January 1999	7,500	36,112	36,972	80,584
Charge for the year	-	28,456	3,965	32,421
Disposals	-	(14,781)	(430)	(15,211)
At 31st December 1999	7,500	49,787	40,507	97,794
Net Book Value				
At 31st December 1999	-	64,038	21,982	86,020
At 31st December 1998	-	74,779	24,007	98,786

7 Stocks

	1999 £	1998 £
Finished goods	<u>896,766</u>	<u>852,084</u>

WILLIAM WALTER ANTIQUES LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

8	Debtors	1999	1998
		£	£
	Trade debtors	31,477	11,615
	Prepayments and accrued income	22,714	18,983
	Directors' loan accounts (Note 9)	4,295	-
		<u>58,486</u>	<u>30,598</u>

9 Transactions with Directors

The directors' loan accounts consist of the following balances, J Walter £3,625 and R Walter £670. They represent goods supplied to the directors during the year. These balances were the maximum amount during the year and both have been subsequently repaid after the year end.

10	Current Asset Investments	1999	1998
		£	£
	Short term investments - other investments	960,745	815,042

Included in the above are listed investments valued at a cost of £404,143 (1998:£258,440). The aggregate market value of these investment at the year end was £410,234 (1997: £276,726).

11	Creditors: Amounts Falling Due Within One Year	1999	1998
		£	£
	Bank loans and overdrafts	19,680	-
	Trade creditors	11,420	23,251
	Corporation tax	66,977	35,210
	Other taxes and social security	30,497	24,361
	Proposed dividends	70,000	70,000
	Accruals and deferred income	63,948	64,000
		<u>262,522</u>	<u>216,822</u>

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

12	Share Capital	1999	1998
		£	£
	Authorised		
	50,000 Ordinary shares of £1.00 each	50,000	50,000
	Allotted		
	25,000 Allotted, called up and fully paid ordinary shares of £1.00 each	25,000	25,000

WILLIAM WALTER ANTIQUES LTD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

13 Reconciliation of Shareholders' Funds

	1999 £	1998 £
Profit for the financial year	245,195	217,468
Dividends	(70,000)	(70,000)
Increase in the shareholders' funds	175,195	147,468
Opening shareholders' funds	1,827,220	1,679,752
Closing shareholders' funds	2,002,415	1,827,220

14 Pension Scheme

The company operates a defined contribution pension scheme for the benefit of its employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £25,500 (1998 £25,500).

15 Operating Lease Commitments

At 31 December 1999 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	1999 £	1998 £
Operating leases which expire:		
Within one year	838	32,957
Between two and five years	-	838
	838	33,795

16 Post Balance Sheet Events

The lease on the company's premises expired on 25 December 1999 and the company, with others, is fighting the Landlord's rental proposals which the director's consider to be exhorbitant. No conclusion has been reached in respect of this matter.

17 Related Parties

The company is controlled by Mr R. W. Walter, a director, by virtue of being the largest individual shareholder.