

WILLIAM WALTER ANTIQUES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1996

COMPANY NUMBER 841011



WILLIAM WALTER ANTIQUES LIMITED

DIRECTORS

R.W. Walter (Chairman)
Mrs. M.C. Walter
J.W. Walter

SECRETARY

Miss E.A. Simpson

BUSINESS ADDRESS

Chancery Lane Safe Deposit
Chancery Lane
London WC2A 1QS

REGISTERED OFFICE

Chancery Lane Safe Deposit
Chancery Lane
London WC2A 1QS

AUDITORS

Hughes Allen
Greenwood House
4/7 Salisbury Court
London EC4Y 8BT

INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

PAGE

1	Report of the directors
2-3	Auditors' Report
4	Profit and loss account
5	Balance sheet
6-10	Notes to the accounts

WILLIAM WALTER ANTIQUES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 1996.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity during the year was dealing in antique and modern silverware. There were no changes in activity in the year and neither is any envisaged for the ensuing year.

RESULTS AND DIVIDENDS

The results for the year are detailed on page 4.

The directors recommend payment of a dividend amounting to £35,000.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests, together with those of their family, in the shares of the company were as follows:-

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1996</u>	<u>1995</u>
R.W. Walter (Chairman)	Ordinary shares	10,000	10,000
Mrs. M.C. Walter	Ordinary shares	7,500	7,500
J.W. Walter	Ordinary shares	3,750	3,750

By Order of the Board

Elizabeth Simpson.

Chancery Lane Safe Deposit
Chancery Lane
London WC2A 1QS

Miss E.A. Simpson
Secretary

30 April 1997

WILLIAM WALTER ANTIQUES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF
WILLIAM WALTER ANTIQUES LIMITED

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

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 for 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 judgements 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.

Statement of Auditors' Responsibilities

As described above, the company's directors are responsible for the preparation of the 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.

WILLIAM WALTER ANTIQUES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF
WILLIAM WALTER ANTIQUES LIMITED (CONTINUED)

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 judgements 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 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hughes Allen

HUGHES ALLEN
Chartered Accountants
Registered Auditors

Greenwood House
4/7 Salisbury Court
London EC4Y 8BT

30 April 1997

WILLIAM WALTER ANTIQUES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996

		<u>CONTINUING OPERATIONS</u>	
	Notes	1996 £	1995 £
TURNOVER	1.2	1,008,294	976,317
Cost of sales		(581,865)	(496,178)
GROSS PROFIT		426,429	480,139
Distribution costs		(4,169)	(3,132)
Administrative expenses		(372,520)	(377,861)
		(376,689)	(380,993)
		49,740	99,146
Interest receivable and similar income		58,911	35,003
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	108,651	134,149
Tax on profit on ordinary activities	4	(26,934)	(32,081)
PROFIT FOR THE FINANCIAL YEAR		81,717	102,068
Dividends	5	(35,000)	(35,000)
RETAINED PROFIT FOR THE YEAR		46,717	67,068
Retained profits brought forward		1,510,187	1,443,119
RETAINED PROFITS CARRIED FORWARD		<u>£1,556,904</u>	<u>£1,510,187</u>

There are no recognised gains or losses in either period other than the profits or losses for those periods.

The notes on pages 6 to 10 form an integral part of these financial statements

WILLIAM WALTER ANTIQUES LIMITED

BALANCE SHEET
31 DECEMBER 1996

	Notes	£	1996 £	1995 £
FIXED ASSETS				
Tangible assets	7		61,060	50,061
CURRENT ASSETS				
Stocks	8	597,908		553,614
Debtors	9	43,837		32,888
Investments	10	556,602		350,000
Cash at bank and in hand		502,536		711,340
		<u>1,700,883</u>		<u>1,647,842</u>
CREDITORS: Amounts falling due within one year				
	11	(180,039)		(162,716)
NET CURRENT ASSETS			<u>1,520,844</u>	<u>1,485,126</u>
NET ASSETS			<u><u>£1,581,904</u></u>	<u><u>£1,535,187</u></u>
CAPITAL AND RESERVES				
Called up share capital	13		25,000	25,000
Profit and loss account			<u>1,556,904</u>	<u>1,510,187</u>
Shareholders' funds	14		<u><u>£1,581,904</u></u>	<u><u>£1,535,187</u></u>

The financial statements were approved by the Board on
30 April 1997 and signed on its behalf by

-----)
R.W.Walter)
-----) Directors
J.W.Walter)
-----)

WILLIAM WALTER ANTIQUES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

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

1.2 TURNOVER

Turnover represents the value of goods sold less discounts and value added tax during the year. Turnover and the profit before taxation wholly relate to the company's principal activity.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to write off the tangible assets over their estimated useful lives:-

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

1.4 STOCK

Stock is valued at the lower of cost and estimated net realisable value.

1.5 DEFERRED TAXATION

Deferred taxation, computed under the liability method, is provided to the extent that it is probable that the net asset or liability arising will crystallise.

1.6 FOREIGN EXCHANGE

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to profit and loss account.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	1996	1995
	£	£
The profit is stated after charging:-		
Depreciation	19,325	15,636
Auditors' remuneration	5,950	7,500
Operating lease rentals:-		
Land and buildings	48,105	28,142
	<u> </u>	<u> </u>

WILLIAM WALTER ANTIQUES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996

3. DIRECTORS AND EMPLOYEES	1996	1995
	£	£
Staff costs:-		
Wages and salaries	224,704	218,342
Social security costs	21,760	24,571
Other pension costs	17,500	31,500
	<u>£ 263,964</u>	<u>£ 274,413</u>
	Number	Number
The average monthly number of employees during the year was as follows:		
Administration	4	4
Sale and purchase	4	4
	<u>8</u>	<u>8</u>
	£	£
Directors' emoluments for the year	<u>£ 175,482</u>	<u>£ 179,761</u>
Chairman's emoluments	<u>£ 80,604</u>	<u>£ 75,140</u>
Directors' remuneration fell within the following ranges:	Number	Number
£25,001 - £30,000	1	-
£30,001 - £35,000	-	1
£40,001 - £45,000	-	1
£50,001 - £55,000	1	-
£75,001 - £80,000	-	1
£80,001 - £85,000	1	-
	<u>1</u>	<u>-</u>
4. TAX ON PROFIT ON ORDINARY ACTIVITIES	1996	1995
	£	£
U.K corporation tax	<u>26,934</u>	<u>32,081</u>
5. DIVIDENDS	1996	1995
	£	£
Proposed dividend	<u>£ 35,000</u>	<u>£ 35,000</u>

WILLIAM WALTER ANTIQUES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996

6. PENSION COSTS

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £17,500 (1995: £31,500).

7. TANGIBLE FIXED ASSETS

<u>Cost</u>	<u>Short Leasehold Property</u> £	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
At 1 January 1996	-	33,558	88,850	122,408
Additions	7,500	7,272	25,567	40,339
Disposals	-	-	(31,650)	(31,650)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1996	£ 7,500	£ 40,830	£ 82,767	£ 131,097
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>	<u>Short Leasehold Property</u> £	<u>Fixtures and fittings</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
At 1 January 1996	-	26,859	45,489	72,348
Charge for the year	2,500	2,096	14,729	19,325
Charge on disposal	-	-	(21,636)	(21,636)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1996	£ 2,500	£ 28,955	£ 38,582	£ 70,037
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Total net book values</u>				
At 31 December 1996	£ 5,000	£ 11,875	£ 44,185	£ 61,060
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1995	£ -	£ 6,699	£ 43,362	£ 50,061
	<hr/>	<hr/>	<hr/>	<hr/>

8. STOCKS

	<u>1996</u> £	<u>1995</u> £
Finished goods and goods for resale	£ 597,908	£ 553,614
	<hr/>	<hr/>

WILLIAM WALTER ANTIQUES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996

9. DEBTORS	1996 £	1995 £
Trade debtors	16,585	4,839
Other debtors	1,858	3,537
ACT recoverable	8,750	8,750
Prepayments and accrued income	16,644	15,762
	<u>£ 43,837</u>	<u>£ 32,888</u>

The ACT recoverable of £8,750 (1995: £8,750) is receivable more than one year after the balance sheet date.

10. INVESTMENTS

	1996 £	1995 £
Other Investments	<u>£ 556,602</u>	<u>£ 350,000</u>

**11. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	1996 £	1995 £
Bank loans and overdrafts	-	6,425
Trade creditors	35,332	6,212
Corporation tax	18,184	23,377
Other taxes and social security costs	17,320	16,967
Other creditors	-	57,250
Accruals and deferred income	65,453	8,735
Proposed dividend	35,000	35,000
ACT payable	8,750	8,750
	<u>£ 180,039</u>	<u>£ 162,716</u>

12. DEFERRED TAX

	1996 £	1995 £
Excess depreciation over capital allowances	3,075	3,750
Other timing differences	-	(253)
Potential net asset/(liability)	<u>£ 3,075</u>	<u>£ 3,497</u>

The potential net asset arising has not been brought into the financial statements.

WILLIAM WALTER ANTIQUES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996

13. SHARE CAPITAL	1996 £	1995 £
<u>Authorised</u>		
50,000 Ordinary shares of £1 each	£ 50,000	£ 50,000
<u>Allotted, called up and fully paid</u>		
25,000 Ordinary shares of £1 each	£ 25,000	£ 25,000

The company was under the control of the directors, who are close family members, throughout the year ended 31 December 1996 and the year ended 31 December 1995.

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1996 £	1995 £
Shareholders' funds at 1st January 1996	1,535,187	1,468,119
Profit for the financial year	46,717	67,068
Shareholders' funds at 31st December 1996	£ 1,581,904	£ 1,535,187