

BRITISH SILVERWARE LIMITED

REPORT AND ACCOUNTS

31 December 2000

Registered number: 2767919

REGISTRAR'S COPY

HLB KIDSONS

CHARTERED ACCOUNTANTS

MANCHESTER



JMA
COMPANIES HOUSE

J7EM245Y

0251
17/09/01

BRITISH SILVERWARE LIMITED

ACCOUNTS

for the year ended 31 December 2000

CONTENTS

	Page
Company information	1
Directors' report	2-3
Statement of directors' responsibilities	4
Auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes on accounts	8-13
 The following pages do not form part of the statutory accounts	
Summary trading account	14
Notes to trading account	15

BRITISH SILVERWARE LIMITED

COMPANY INFORMATION

31 December 2000

DIRECTORS

**P J Tear
M Rathbone**

SECRETARY

J E S Dunn, FCA

REGISTERED OFFICE

**Royds Mills
Windsor Street
Sheffield
S4 7WB**

BANKERS

**Barclays Bank plc
Fitzalan Square
PO Box 43
14 Commercial Street
Sheffield
S1 1NG**

AUDITORS

**HLB Kidsons
Chartered Accountants
Devonshire House
36 George Street
Manchester
M1 4HA**

SOLICITORS

**Nabarro Nathanson
1 South Quay
Victoria Quays
Wharf Street
Sheffield
S2 5SY**

BRITISH SILVERWARE LIMITED

DIRECTORS' REPORT

31 December 2000

The directors present their report and the audited accounts for the year ended 31 December 2000.

Principal activities and business review

The principal activity of the company is the manufacture of silverware, holloware and cutlery.

Result and dividends

The results for the year are shown in the profit and loss account on page 6. The directors do not recommend the payment of a dividend.

Financial position

The company's balance sheet is detailed on page 7. The company is technically insolvent and reliant upon the support of the other group companies.

Directors and their interests

The directors who served during the period were as follows:

P J Tear

M Rathbone

None of the directors hold an interest in the share capital of the company. The interest of Mr P J Tear in the share capital of the ultimate holding company is shown in the accounts of that company.

Fixed Assets

The movements in fixed assets during the year are set out in the notes to the accounts.

BRITISH SILVERWARE LIMITED

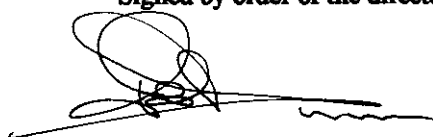
DIRECTORS' REPORT

31 December 2000
(continued)

Auditors

HLB Kidsons have agreed to offer themselves for re-election as auditors of the company.

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'J E S Dunn', written over a horizontal line.

J E S Dunn
Secretary

Registered Office:
Royds Mills
Windsor Street
Sheffield
S4 7WB

Approved by the directors on 11 September 2001

BRITISH SILVERWARE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 December 2000

Statement of directors' responsibilities

We are required under company law to prepare accounts 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.

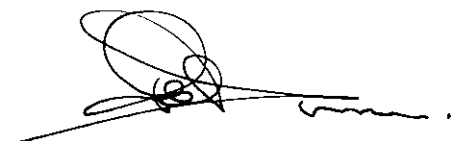
In preparing these accounts we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, and give details of any departures; and
- prepare the accounts on a going concern basis unless in our view the company will be unable to continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets; and
- taking reasonable steps for the prevention and detection of fraud.

Signed by order of the directors



J E S Dunn
Secretary

Registered Office:
Royds Mills
Windsor Street
Sheffield
S4 7WB

Approved by the directors on 11 September 2001

BRITISH SILVERWARE LIMITED

AUDITORS' REPORT

to the members of British Silverware Limited

We have audited the accounts on pages 6 to 13, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 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 the 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 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 31 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HLB Kidsons
Registered Auditors
Chartered Accountants

Devonshire House
36 George Street
Manchester
M1 4HA

12 September 2001

BRITISH SILVERWARE LIMITED**PROFIT AND LOSS ACCOUNT****for the year ended 31 December 2000**

	Note	2000 £	1999 £
Turnover	2	1,900,998	1,804,026
Cost of sales		(1,564,173)	(1,686,337)
Gross profit		336,825	117,689
Net operating expenses			
Distribution costs		(83,609)	(75,440)
Administrative expenses		(539,926)	(532,057)
		(286,710)	(489,808)
Other operating income		63,277	55,274
Operating loss	3	(223,433)	(434,534)
Interest payable	5	(221)	(809)
Loss on ordinary activities before taxation		(223,654)	(435,343)
Tax on loss on ordinary activities	6	78,770	158,000
Loss for the financial year		(144,884)	(277,343)
Retained loss brought forward		(734,244)	(456,901)
Retained loss carried forward		(879,128)	(734,244)

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

All of the activities of the company are classed as continuing

BRITISH SILVERWARE LIMITED

BALANCE SHEET

at 31 December 2000

	Note	2000	1999
		£	£
Fixed assets			
Intangible assets	7	950	1,000
Tangible assets	8	534,608	567,276
		<u>535,558</u>	<u>568,276</u>
Current assets			
Stocks	9	865,295	813,962
Debts factored without recourse:			
Gross debts		439,361	409,018
Less: non returnable proceeds		-	(10,907)
		<u>439,361</u>	<u>398,111</u>
Factored debts	10	439,361	398,111
Other debtors	10	119,493	201,328
Cash at bank and in hand		15,232	262
		<u>1,439,381</u>	<u>1,413,663</u>
Creditors: amounts falling due within one year	11	(1,485,045)	(1,337,281)
		<u>(1,485,045)</u>	<u>(1,337,281)</u>
Net current assets		<u>(45,664)</u>	<u>76,382</u>
Total assets less current liabilities		<u>489,894</u>	<u>644,658</u>
Creditors: amounts falling due after more than one year	11	(1,350,000)	(1,350,000)
Provision for liabilities and charges	12	(19,020)	(28,900)
		<u>(1,369,020)</u>	<u>(1,378,900)</u>
Net liabilities		<u>(879,126)</u>	<u>(734,242)</u>
Capital and reserves			
Called up share capital	14	2	2
Profit and loss account		(879,128)	(734,244)
		<u>(879,126)</u>	<u>(734,242)</u>
Equity shareholders' funds	13	<u>(879,126)</u>	<u>(734,242)</u>

The accounts on pages 6 to 13 were approved by the board of directors on 11 September 2001.

P J Tear

Director

The notes on pages 8 to 13 form part of these accounts.

BRITISH SILVERWARE LIMITED

NOTES ON ACCOUNTS

31 December 2000

1 Principal accounting policies

Basis of accounting

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

Fundamental accounting concept

The accounts have been prepared on the basis that the company is a going concern. The company has received written confirmation from its parent and fellow subsidiary undertakings that they will continue to provide financial support to the company, to enable it to meet its obligations as they fall due in the foreseeable future. Accordingly, the directors are of the opinion that it is appropriate to prepare the accounts using the going concern concept.

Group accounts

The company is not required to prepare group accounts according to the exemption under Section 228 of the Companies Act 1985 on the grounds that the company is itself a wholly owned subsidiary.

Cost of sales

Cost of sales is stated as all those costs directly incurred by the company, including depreciation and an appropriate proportion of overheads, in order to bring each product sold to its saleable condition and to provide the services to customers.

Amortisation

The company provides for amortisation on its intangible assets in equal instalments over its estimated useful life at the following rates:-

Trademarks	-	5% straight line
------------	---	------------------

Depreciation

Depreciation is calculated to write off the cost or valuation of all tangible fixed assets, other than freehold land which is not depreciated, in equal annual instalments over their estimated useful lives at the following rates:-

Freehold buildings	-	2% straight line
Long leasehold	-	2% straight line
Plant and machinery	-	10% straight line
Fixtures and fittings	-	15% straight line

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost, including an appropriate proportion of production overheads, and net realisable value.

Deferred taxation

Deferred taxation is provided using the liability method, on all timing differences between the result computed for taxation purposes and the result stated in the accounts to the extent that it is probable the liability will crystallise.

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 transaction. All exchange differences arising are included in the profit and loss account for the year.

BRITISH SILVERWARE LIMITED

NOTES ON ACCOUNTS

31 December 2000

(continued)

1 Principal accounting policies (cont'd)

Going Concern

British Silverware Limited is technically insolvent and reliant upon the support of the other companies in the group. The accounts have been prepared on a going concern basis as the other companies in the group have indicated that they will continue to support the company in the foreseeable future.

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is a wholly-owned subsidiary of a parent undertaking which publishes a consolidated cash flow statement.

Related party transactions

The company has taken advantage of the exemption from disclosing transactions with entities that are part of the group qualifying as related parties conferred by Financial Reporting Standard No. 8 on the grounds that the consolidated financial statements of the group, in which the subsidiary is included, are publicly available.

2 Turnover

Turnover represents the invoiced value, excluding value added tax, of goods sold and services provided to customers. All activities are classed as continuing. There were no acquisitions or disposals of operations during the period nor during the previous period. 3.6% (1999: 4.8%) of turnover is attributable to geographical markets outside the United Kingdom.

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging:	2000	1999
	£	£
Depreciation	36,988	37,744
Amortisation	50	-
Auditors' remuneration	6,940	3,550
Operating lease rentals - plant and machinery	35,000	35,000
	<hr/>	<hr/>
and after crediting:		
Rents from properties	63,277	55,274
	<hr/>	<hr/>

4 Directors and employees

(a) The average number of persons, including directors, employed by the company during the year was:	2000	1999
	No.	No.
Production and sales staff	45	52
Management and administration	10	10
	<hr/>	<hr/>
	55	62
	<hr/>	<hr/>

BRITISH SILVERWARE LIMITED

NOTES ON ACCOUNTS

31 December 2000

(continued)

4 Directors and employees (cont'd)

	2000	1999
	£	£
(b) Staff costs:		
Wages and salaries	642,277	784,563
Social security costs	67,113	81,987
	<u>709,390</u>	<u>866,550</u>

The directors are remunerated for their services to the company (and fellow subsidiary and parent undertakings) through a fellow subsidiary company. It is not practicable to estimate the amount of remuneration paid to the directors for their specific services to this company.

5 Interest payable

	2000	1999
	£	£
Factoring discount	<u>221</u>	<u>809</u>

6 Tax on (loss)/profit on ordinary activities

	2000	1999
	£	£
UK corporation tax at XX % (1999: 30%)	-	(27,362)
Over-provision in respect of previous year	(3,286)	-
Group relief	(65,604)	(131,838)
Deferred tax	(9,880)	1,200
	<u>(78,770)</u>	<u>(158,000)</u>

7 Intangible fixed assets

	Trademarks £
Cost	
1 January 2000 and 31 December 2000	<u>1,000</u>
Amortisation	
At 1 January 2000	-
Charge for year	<u>50</u>
31 December 2000	<u>50</u>
Net book amount	
31 December 2000	<u>950</u>
31 December 1999	<u>1,000</u>

BRITISH SILVERWARE LIMITED

NOTES ON ACCOUNTS

31 December 2000

(continued)

8 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant, fixtures and equipment £	Total £
Cost				
At 1 January 2000	394,028	6,000	292,896	692,924
Additions	-	-	4,320	4,320
31 December 2000	394,028	6,000	297,216	697,244
Depreciation				
At 1 January 2000	54,314	830	70,504	125,648
Charge for year	7,881	120	28,987	36,988
31 December 2000	62,195	950	99,491	162,636
Net book amount				
31 December 2000	331,833	5,050	197,725	534,608
31 December 1999	339,714	5,170	222,392	567,276

9 Stocks

	2000 £	1999 £
Raw materials, work in progress and finished goods	865,295	813,962

10 Debtors

	£	2000 £	£	1999 £
Debts factored without recourse:				
Gross debts	439,361		409,018	
Less: non returnable proceeds	-		(10,907)	
Factored debtors		439,361		398,111
Trade debtors		50,479		67,926
Other debtors		83		-
Amounts owed by group companies		64,849		129,341
Prepayments and accrued income		4,082		4,061
		558,854		599,439

BRITISH SILVERWARE LIMITED

NOTES ON ACCOUNTS

31 December 2000

(continued)

11 Creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	2000	1999	2000	1999
	£	£	£	£
Trade creditors	228,129	232,841	-	-
Amounts owed to other group companies	1,192,803	1,008,068	1,350,000	1,350,000
Corporation tax	-	5,485	-	-
Other taxes and social security costs	22,156	16,853	-	-
Other creditors	34,128	66,760	-	-
Accruals and deferred income	7,829	7,274	-	-
	<u>1,485,045</u>	<u>1,337,281</u>	<u>1,350,000</u>	<u>1,350,000</u>

Included in the amounts due in more than one year is a loan of £950,000 owed to Solpro Finance Limited. Solpro Finance Limited has a charge over the assets of the company dated February 1993.

A letter of waiver has been signed by the directors which subordinates this security to that given to the company's bankers referred to in note 15.

12 Provisions for liabilities and charges

	2000	1999
	£	£
As at 1 January 2000	28,900	27,700
Charged to profit and loss account	(9,880)	1,200
As at 31 December 2000	<u>19,020</u>	<u>28,900</u>

13 Reconciliation of shareholders' funds

	2000	1999
	£	£
Loss for the financial year	(144,884)	(277,343)
Net reduction shareholders' funds	<u>(144,884)</u>	<u>(277,343)</u>
Opening shareholders' funds	(734,242)	(456,899)
Closing shareholders' funds	<u>(879,126)</u>	<u>(734,242)</u>

BRITISH SILVERWARE LIMITED

NOTES ON ACCOUNTS

31 December 2000

(continued)

14 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2000	1999	2000	1999
	No.	No.	No.	No.
Ordinary shares of £1 each	1,000	1,000	2	2

15 Contingent liabilities

- (a) The company is party to a composite accounting guarantee in respect of the bank overdrafts and loans of other group companies. At 31 December 2000 the contingent liability under this guarantee was £253,993 (1999: £347,087).
- (b) The composite accounting guarantee is secured by a charge over, amongst other assets, the company's freehold property at Sheaf Bank Works, Prospect Road, Sheffield.

16 Subsidiary company

The undermentioned is a subsidiary company incorporated in the United Kingdom:

James Dixon & Sons Limited

Shareholding	-	100% ordinary shares
Nature of business	-	non trading

17 Parent undertaking and controlling party

The immediate and ultimate parent undertaking is Solpro Manufacturing Limited, a company incorporated in England.

Mr P J Tear is the ultimate controlling party.