

REGISTRAR

REGISTERED NUMBER : 820148 (England and Wales)

**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998**  
**FOR**  
**LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIES**

D R E & Co  
Registered Auditors  
Chartered Accountants  
7 Lower Brook Street  
Oswestry  
Shropshire  
SY11 2HG



**LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIES**

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**for the Year Ended 31 March 1998**

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**LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIES**

1.

**COMPANY INFORMATION**  
**for the Year Ended 31 March 1998**

<b>DIRECTORS :</b>	H D Lloyd (Chairman) W D Lloyd (Managing Director) W J Lloyd M Meynell
<b>COMPANY SECRETARIES :</b>	W D Lloyd L P Pollard
<b>REGISTERED OFFICE :</b>	Llynclys Farm Llynclys Oswestry Shropshire SY10 8LL
<b>REGISTERED NUMBER :</b>	820148 (England and Wales)
<b>AUDITORS :</b>	D R E & Co 7 Lower Brook Street Oswestry Shropshire SY11 2HG
<b>BANKERS :</b>	Midland Bank plc The Cross Oswestry Shropshire SY11 2SR
<b>SOLICITORS :</b>	William Hatcher Partnership 5 Claremont Buildings Claremont Bank Shrewsbury SY1 1RU

**REPORT OF THE DIRECTORS**  
**for the Year Ended 31 March 1998**

The directors present their annual report with the financial statements of the company and the group for the year ended 31 March 1998.

**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 affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- 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 to 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.

**Principal Activity**

The principal activity of the company is the production of animal feedstuffs and the principal activities of the subsidiary companies consist of the production of eggs, food processing and trading, poultry rearing and related farming interests, and motor trading.

**Business Review and Future Development**

The group has made satisfactory progress in it's policy of refurbishment and development of existing facilities and in broadening the base of the business as a whole.

**Dividends and Transfers to Reserves**

The company paid a dividend during the year of £8 per share (1998 £80,000, 1997 £50,000). The profit for the year after taxation and minority interests is £2,077,372. Details of the Profit & Loss Account are given on page 5.

**Fixed assets**

Details of all fixed assets and the movements thereon are shown in note 8 .

**REPORT OF THE DIRECTORS  
for the Year Ended 31 March 1998****Year 2000**

The directors are currently in the process of assessing the risks and uncertainties associated with the year 2000 problem. An action plan has been initiated under which year 2000 issues relating to it's business operations and those of it's customers and suppliers are being investigated.

The directors do not anticipate any major problems arising from their enquiries and are confident that trading operations will not be affected.

**Directors**

The directors in office in the year and their interests in the company's ordinary share capital were as follows :

	Ordinary shares of £1 each			
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
	1998		1997	
W D Lloyd (Managing Director)	2,500	3,500	2,500	2,500
H D Lloyd (Chairman)	-	-	-	-
M Meynell	-	-	-	-
W J Lloyd	-	-	1,000	-

**Donations**

During the year the company made the following donations :

Charitable purposes	<u>£16,896</u>	<u>£3,947</u>
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**Auditors**

The auditors, Messrs D R E & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the board

.....  
30 November 1998

**Director / W D Lloyd**

## **AUDITORS' REPORT TO THE SHAREHOLDERS OF**

4.

### **LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIES**

We have audited the financial statements on pages 5 to 14 which have been prepared on the basis of the accounting policies set out on page 9.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements 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 financial statements. It also includes an assessment of the significant estimates and judgements 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 financial statements are free from material mis-statement, 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.

#### **GOING CONCERN AND THE YEAR 2000 PROBLEM**

In forming our opinion, we have considered the adequacy of the disclosures in the directors' report concerning the uncertain outcome of the directors' plans to mitigate the effects of the Year 2000 problem.

It is not known whether the business operations and those of its customers and suppliers will continue without interruption after 31 December 1999, but the process of risk assessment and the action plan based thereon undertaken by the directors is designed to minimise any potentially damaging consequences.

In view of the significance of this uncertainty, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

#### **OPINION**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 1998 and of the profit of the group for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

  
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**DRE & Co**

**Chartered Accountants and Registered Auditors**

7 Lower Brook Street  
Oswestry  
Shropshire SY11 2HG

30 November 1998

**LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIES**

5.

**YEAR ENDED 31 MARCH 1998****GROUP PROFIT AND LOSS ACCOUNT**

	NOTES	1998 £	1997 £
<b>TURNOVER</b>			
Existing operations	2	66,965,207	57,618,170
Acquisitions		-	7,770,256
		<u>66,965,207</u>	<u>65,388,426</u>
Cost of sales		<u>(59,496,195)</u>	<u>(57,768,337)</u>
<b>GROSS PROFIT</b>		7,469,012	7,620,089
Distribution costs		(1,278,850)	(1,076,125)
Administrative expenses		(3,992,092)	(3,517,638)
Other operating income		<u>152,771</u>	<u>294,407</u>
<b>OPERATING PROFIT</b>	3		
Existing operations		2,350,841	3,237,156
Acquisitions		-	83,577
		<u>2,350,841</u>	<u>3,320,733</u>
Income from interests in associated companies		183,449	678,710
Income from other participating interests	4	-	9,492
Income from other fixed asset investments	5	34,376	28,344
Other interest receivable and similar income		555,552	380,744
Interest payable and similar charges	6	(59,874)	(81,599)
<b>Profit on ordinary activities before taxation</b>	2	3,064,344	4,336,424
Tax on profit on ordinary activities	7	(928,094)	(1,462,880)
<b>Profit on ordinary activities after taxation</b>	19	2,136,250	2,873,544
Minority interest		(58,878)	(43,036)
<b>Profit for the financial year</b>		<u>2,077,372</u>	<u>2,830,508</u>
Dividends paid and proposed	18	(80,000)	(50,000)
Prior year adjustment		-	38,242
<b>Retained profit brought forward</b>		<u>20,376,872</u>	<u>17,558,122</u>
<b>Retained profit carried forward</b>	17	<u>£22,374,244</u>	<u>£20,376,872</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The above company has no recognised gains or losses other than the profit or loss for the above two financial years.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

The difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis is not material.

The notes form part of these financial statements.


**LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIES**

6.

**GROUP BALANCE SHEET****AS AT 31 MARCH 1998**

		1998	1997
		£	£
NOTES			
<b>FIXED ASSETS</b>			
Intangible assets		82,647	45,175
Tangible assets	8	13,486,184	7,857,207
Investments	9	<u>1,740,206</u>	<u>1,466,716</u>
		15,309,037	9,369,098
<b>CURRENT ASSETS</b>			
Stock	10	4,866,261	5,123,625
Debtors	11	7,685,984	9,245,356
Cash at bank and in hand		<u>6,403,357</u>	<u>4,913,433</u>
		<u>18,955,602</u>	<u>19,282,414</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>6,653,952</u>	<u>7,898,613</u>
<b>NET CURRENT ASSETS</b>		<u>12,301,650</u>	<u>11,383,801</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		27,610,687	20,752,899
<b>CREDITORS: amounts falling due after more than one year</b>	13	(4,815,485)	-
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	14	(211,000)	(208,837)
		<u>£22,584,202</u>	<u>£20,544,062</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	10,000	10,000
Reserves	17	22,497,904	20,500,642
Minority interest		<u>76,298</u>	<u>33,420</u>
<b>SHAREHOLDERS' FUNDS</b>	16	<u>£22,584,202</u>	<u>£20,544,062</u>

Approved by the board on : 30 November 1998



Director / W D Lloyd

The notes form part of these financial statements.

## COMPANY BALANCE SHEET

AS AT 31 MARCH 1998

	NOTES	£	1998	£	£	1997	£
<b>FIXED ASSETS</b>							
Intangible assets				82,647			45,175
Tangible assets	8			5,081,012			4,864,663
Investments	9			2,403,103			1,756,466
				<u>7,566,762</u>			<u>6,666,304</u>
<b>CURRENT ASSETS</b>							
Stock	10	868,470			777,098		
Debtors	11	5,509,476			6,634,634		
Cash at bank and in hand		<u>1,877,950</u>			<u>1,070,557</u> *		
		<u>8,255,896</u>			<u>8,482,289</u>		
<b>CREDITORS: amounts falling due within one year</b>							
	12	<u>3,422,937</u>			<u>4,205,119</u> *		
<b>NET CURRENT ASSETS</b>				<u>4,832,959</u>			<u>4,277,170</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				12,399,721			10,943,474
<b>PROVISIONS FOR LIABILITIES &amp; CHARGES</b>							
Deferred tax	14			(200,000)			(200,000)
				<u>£12,199,721</u>			<u>£10,743,474</u>
<b>CAPITAL &amp; RESERVES</b>							
Called up share capital	15			10,000			10,000
Profit & loss account	17			12,189,721			10,733,474
<b>SHAREHOLDERS' FUNDS</b>				<u>£12,199,721</u>			<u>£10,743,474</u>

Approved by the board on : 30 November 1998



Director / W D Lloyd

The notes form part of these financial statements.

\* Restated for comparative purposes

## GROUP CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 1998

	NOTES	1998	1997
		£	£
<b>OPERATING ACTIVITIES</b>			
Operating profit		2,350,841	3,320,733
Depreciation		1,068,008	993,567
(Profit) on sale of fixed assets		(34,652)	(50,217)
Goodwill write-off		(37,472)	7,529
Prior year adjustment		-	38,242
Movement in stock		257,364	(107,786)
Movement in debtors		1,559,372	(2,535,411)
Movement in creditors		(521,537)	1,298,041
<b>NET CASH IN / (OUT) FLOW FROM OPERATING ACTIVITIES</b>		4,641,924	2,964,698
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		555,552	390,236
Dividends received		34,376	208,344
Minority dividend		(16,000)	(5,000)
Interest paid		(59,874)	(81,599)
<b>NET CASH INFLOW FOR RETURNS ON INVESTMENTS &amp; SERVICING OF FINANCE</b>		514,054	511,981
<b>TAXATION</b>			
UK Corporation tax paid		(1,208,103)	(1,199,636)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of tangible fixed assets		(6,729,002)	(779,153)
Sale of tangible fixed assets		66,669	86,980
Purchase of investments		(209,970)	(60,276)
<b>NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND SERVICING OF FINANCE</b>		(6,872,303)	(752,449)
<b>EQUITY DIVIDENDS PAID</b>		(80,000)	(50,000)
<b>CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING</b>		(3,004,428)	1,474,594
<b>FINANCING</b>			
Loans repaid		63,443	328,764
<b>(DECREASE) / INCREASE IN CASH IN THE PERIOD</b>	21	<u>(£2,940,985)</u>	<u>£1,803,358</u>

**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 1998****1 ACCOUNTING POLICIES****1.1 Basis of accounting**

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain properties.

**1.2 Turnover**

Turnover is the value of sales invoiced to external customers during the year net of Value Added Tax.

**1.3 Depreciation**

Depreciation of fixed assets is calculated on the straight line basis at varying rates within the Group as follows :

Freehold property	0% - 4% per annum on cost
Office equipment, plant machinery and installations	10% - 15% per annum on cost
Motor vehicles	25% per annum on cost
Short life assets	100% per annum on cost

No depreciation is provided on some freehold property because it is the practice to maintain the asset in a continual state of sound repair. Accordingly the lives are so long and the residual values so high that their depreciation is insignificant.

**1.4 Stock**

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

**1.5 Deferred taxation**

Provision is made in respect of deferred taxation on the liability method.

**1.6 Accruals & deferred income**

Accruals and deferred income consists of grants received in respect of expenditure on fixed assets which are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

**1.7 Basis of consolidation**

The group financial statements consolidate the financial statements of the company and all subsidiaries for the financial period ended 31 March 1998. At the date of acquisition the fair values of net assets excluding goodwill of the subsidiary are determined and these values are incorporated in the consolidated financial statements.

**1.8 Repairs & renewals**

Included in the charge to repairs and renewals is the cost of replacement of existing plant and machinery, cages and equipment and fixtures and fittings. Where there is an element of improvement the deduction is restricted to the cost of replacing like with like and the element of improvement is capitalised.

**1.9 Computer software**

Computer software is written off as a revenue expense in the year of purchase.

**1.10 Goodwill**

Goodwill on acquisition of subsidiaries is being written off to reserves over a ten year period.

**1.11 Pension scheme**

The company's pension scheme is a defined contribution scheme, and contributions are charged to the profit and loss account on a paid basis.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

## 2. TURNOVER AND PROFITS

Analysis of turnover and profit before taxation by class of business are stated below:

	TURNOVER		PROFIT BEFORE TAXATION	
	1998	1997	1998	1997
	£	£	£	£
Production of feeding stuffs	22,180,366	19,695,360	2,000,815	1,576,684
Poultry rearing, production and sale of eggs	25,575,652	26,785,217	583,022	1,691,338
Motor trading	10,185,117	9,132,651	271,660	229,088
Nut trading	6,861,900	7,770,256	47,178	73,633
Others	2,162,172	2,004,942	161,669	765,681
	<u>£66,965,207</u>	<u>£65,388,426</u>	<u>£3,064,344</u>	<u>£4,336,424</u>

Profit from associated companies is included in the above figures under the heading "Others". The turnover which generated this profit was £16 million.

## 3.1 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1998	1997
	£	£
<b>Directors</b>		
Aggregate emoluments	£395,000	£350,000
Company pension contributions to money purchase schemes (2 directors)	<u>£195,000</u>	<u>£52,490</u>
<b>Highest paid director</b>		
Aggregate emoluments	£215,000	£190,000
Company pension contributions to money purchase schemes	<u>£150,000</u>	<u>£50,000</u>
<b>Employee costs during the year:</b>		
Wages and salaries	£4,355,555	£4,226,433
Social security costs	£387,432	£382,678
Other pension costs	<u>£38,284</u>	<u>£111,287</u>
<b>Average number of employees:</b>	No.	No.
Production	246	297
Sales and distribution	59	70
Administration	<u>46</u>	<u>30</u>

## 3.2 PROFIT BEFORE TAX IS AFTER CHARGING :

	£	£
Directors' remuneration	£395,000	£350,000
Auditors' remuneration	£40,000	£33,920
Depreciation (note 1.2)	<u>£1,068,008</u>	<u>£993,567</u>

## 4. INCOME FROM OTHER PARTICIPATING INTERESTS

Loan interest receivable	<u>-</u>	<u>£9,492</u>
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## 5. INCOME FROM OTHER FIXED ASSET INVESTMENTS

Dividends receivable from UK companies	<u>£34,376</u>	<u>£28,344</u>
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## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31 MARCH 1998

	1998 £	1997 £
6. <b>INTEREST PAYABLE</b>		
On bank loans and overdrafts and other loans due within five years	<u>£59,874</u>	<u>£81,599</u>

7.1 **TAXATION**

Corporation tax on profits for the year at 31% (1997 33%)	842,905	1,198,347
Deferred tax	2,163	21,381
Tax on profits of associated companies	56,486	201,986
Tax credit on franked investment income	6,875	5,669
(Over) / under provision in previous year	<u>19,665</u>	<u>35,497</u>
	<u>£928,094</u>	<u>£1,462,880</u>

- 7.2 In accordance with the group's accounting policy a provision of £211,000 (1997 £208,837) has been made for deferred tax as in the opinion of the directors a liability to taxation may crystallise within the foreseeable future. The provision has been made on the liability method at the rate of 31% (1997 33%) on the difference between the book and tax written down value of assets, being the maximum foreseeable liability.

8. **FIXED ASSETS**8.1 **GROUP**

	Freehold Property £	Equipment & Machinery £	Assets for Leasing £	Motor Vehicles £	Total £
Cost at 1/4/97	3,705,665	10,636,095	246,424	1,600,993	16,189,177
Additions	6,075,833	210,949	46,785	395,435	6,729,002
Disposals	-	(10,535)	(5,905)	(159,350)	(175,790)
Cost at 31/3/98	<u>9,781,498</u>	<u>10,836,509</u>	<u>287,304</u>	<u>1,837,078</u>	<u>22,742,389</u>
Accumulated dep'n at 1/4/97	31,862	6,863,531	220,520	1,216,057	8,331,970
Charge for year	15,608	742,260	25,621	284,519	1,068,008
Eliminated on disposal	-	(6,318)	(1,182)	(136,273)	(143,773)
Accumulated dep'n at 31/3/98	<u>47,470</u>	<u>7,599,473</u>	<u>244,959</u>	<u>1,364,303</u>	<u>9,256,205</u>
Net book value at 31/3/98	<u>£9,734,028</u>	<u>£3,237,036</u>	<u>£42,345</u>	<u>£472,775</u>	<u>£13,486,184</u>
Net book value at 31/3/97	<u>£3,673,803</u>	<u>£3,772,564</u>	<u>£25,904</u>	<u>£384,936</u>	<u>£7,857,207</u>

8.2 **COMPANY**

Cost at 1/4/97	1,572,372	6,300,272	216,159	1,455,362	9,544,165
Additions	491,515	163,568	-	381,025	1,036,108
Disposals	-	(6,385)	-	(152,283)	(158,668)
Cost at 31/3/98	<u>2,063,887</u>	<u>6,457,455</u>	<u>216,159</u>	<u>1,684,104</u>	<u>10,421,605</u>
Accumulated dep'n at 1/4/97	-	3,379,199	216,159	1,084,144	4,679,502
Charge for year	8,834	513,610	-	276,467	798,911
Eliminated on disposal	-	(5,747)	-	(132,073)	(137,820)
Accumulated dep'n at 31/3/98	<u>8,834</u>	<u>3,887,062</u>	<u>216,159</u>	<u>1,228,538</u>	<u>5,340,593</u>
Net book value at 31/3/98	<u>£2,055,053</u>	<u>£2,570,393</u>	<u>-</u>	<u>£455,566</u>	<u>£5,081,012</u>
Net book value at 31/3/97	<u>£1,572,372</u>	<u>£2,921,073</u>	<u>-</u>	<u>£371,218</u>	<u>£4,864,663</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

## 9.1 INVESTMENTS

	GROUP		COMPANY	
	1998	1997	1998	1997
	£	£	£	£
Shares in group undertakings (9.2)	-	-	1,290,635	790,525
Loans to group undertakings	-	-	312,500	312,500
Participating interests (9.3)	1,204,239	1,077,276	264,001	264,001
Loans to undertakings in which the company has a participating interest	-	-	-	-
Other investments other than loans	439,988	230,018	439,988	230,018
Other loans	95,979	159,422	95,979	159,422
	<u>£1,740,206</u>	<u>£1,466,716</u>	<u>£2,403,103</u>	<u>£1,756,466</u>

## 9.2 SHARES IN GROUP UNDERTAKINGS

The shares in group undertakings consist of the following:

Subsidiaries incorporated in GB	Principal business	Holding of ordinary share capital	Cost 1998 £	Cost 1997 £
Llyncllys Farm Limited	Egg/pullet sales	100 %	100	100
Knockin Egg Farms Limited	Egg sales	100 %	29,117	29,117
Country Fresh Pullets Limited	Pullet sales	100 %	5,050	5,050
SIML Holdings Limited	Egg sales	100 %	100	100
Hyton Poultry Limited	Non-trading	100 %	996	996
Tanat Valley Eggs Limited	Non-trading	100 %	5,404	5,404
Leesouth Limited	Antiques	100 %	2	2
O G Griffiths & Sons Limited	Non-trading	75 %	-	-
Ron Saunders Limited	Motor trading	75 %	150,002	150,002
Smartstage Limited	Property	100 %	850,002	350,002
GLM Trading Limited	Nut trading	75 %	249,752	249,752
Posterflair Limited	Land	100 %	110	-
			<u>£1,290,635</u>	<u>£790,525</u>

## 9.3 PARTICIPATING INTERESTS

Associates incorporated in GB	Principal business	Holding of ordinary share capital	Cost 1998 £	Cost 1997 £
Meadowvale Foods Limited	Food sales	50 %	1	1
Thames Valley Eggs (Northern) Limited	Egg sales	50 %	264,000	264,000
			<u>£264,001</u>	<u>£264,001</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

## 10. STOCKS

	GROUP		COMPANY	
	1998	1997	1998	1997
	£	£	£	£
Raw materials	542,655	443,223	487,180	443,223
Finished goods and goods for resale	4,323,606	4,680,402	381,290	333,875
	<u>£4,866,261</u>	<u>£5,123,625</u>	<u>£868,470</u>	<u>£777,098</u>

## 11. DEBTORS

Trade debtors	6,073,863	7,952,794	3,410,067	4,524,710
Amounts owed by group undertakings	-	-	1,707,824	1,772,839
Amounts owed by undertakings in which the company has a participating interest	954,022	709,498	36,463	92,211
Other debtors	379,910	256,836	316,483	207,819
Prepayments and accruals	278,189	326,228	38,639	37,055
	<u>£7,685,984</u>	<u>£9,245,356</u>	<u>£5,509,476</u>	<u>£6,634,634</u>

## 12. CREDITORS: amounts falling due within one year

Bank loans and overdrafts (secured)	431,781	816,357	-	-
Trade creditors	5,056,183	5,407,970	2,598,504	3,254,365
Amounts owed to group undertakings	-	-	115,971	207,398
Taxation and social security	883,433	1,348,477	488,221	547,799
Other creditors	237,566	229,207	219,098	193,713
Accruals and deferred income	44,989	96,602	1,143	1,844
	<u>£6,653,952</u>	<u>£7,898,613</u>	<u>£3,422,937</u>	<u>£4,205,119</u>

Included in Other creditors are directors loan accounts which are interest free and are repayable on demand.

## 13. CREDITORS: amounts falling due after more than one year

Bank loans				
-repayable between 1-2 years	600,000	-	-	-
-repayable between 2-5 years	1,800,000	-	-	-
-repayable in 5 years or more	2,415,485	-	-	-
	<u>4,815,485</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax (note 7.2)	<u>£211,000</u>	<u>£208,837</u>	<u>£200,000</u>	<u>£200,000</u>
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## 15. CALLED UP SHARE CAPITAL

The called up share capital is made up as follows:-

	Authorised	Issued and fully paid	1998 £	1997 £
Ordinary £1 shares	<u>10,000</u>	<u>10,000</u>	<u>£10,000</u>	<u>£10,000</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

## 16. RECONCILIATION OF SHAREHOLDERS FUNDS

	GROUP	
	£	£
Opening shareholders funds	20,544,062	17,687,028
Prior year adjustment	-	38,242
Profit on ordinary activities after taxation	2,136,250	2,873,544
Dividends	(80,000)	(50,000)
Movement in revaluation reserve	-	(37,896)
Movement in goodwill	(110)	-
Movement in minority interest	(16,000)	33,144
Closing shareholders funds	<u>£22,584,202</u>	<u>£20,544,062</u>

## 17. RESERVES

	GROUP		COMPANY	
	1998	1997	1998	1997
	£	£	£	£
Profit and loss account	22,374,244	20,338,630	12,189,721	10,695,232
Asset revaluation reserve	158,951	158,951	-	-
Goodwill on consolidation	(35,291)	(35,181)	-	-
Prior year adjustment	-	38,242	-	38,242
	<u>£22,497,904</u>	<u>£20,500,642</u>	<u>£12,189,721</u>	<u>£10,733,474</u>

## 18. DIVIDENDS

Dividend paid on ordinary shares (£8 per share)	<u>£80,000</u>	<u>£50,000</u>	<u>£80,000</u>	<u>£50,000</u>
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## 19. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of the financial statements. The consolidated profit for the year after tax includes £1,536,247 (1997 £1,206,052) which is dealt with in the financial statements of the parent company.

## 20. CONTINGENCIES

An unlimited multilateral guarantee has been given to the bank by the company and its main trading subsidiaries, excluding Smartstage Limited and its associated bank borrowings of £4,815,485.

## 21. NOTES TO GROUP CASH FLOW STATEMENT

21. NOTES TO GROUP CASH FLOW STATEMENTS

	1998	1997	
<b>Reconciliation of net cash flow to movement in net funds</b>			
a) (Decrease) / Increase in cash at the period	(2,940,985)	1,803,358	
Cash outflow from increase in debt and lease financing	<u>(63,443)</u>	<u>(328,764)</u>	
Movement in net funds in the period	(3,004,428)	1,474,594	
Net funds at beginning of year	<u>4,256,498</u>	<u>2,781,904</u>	
Net funds at end of year	<u>1,252,070</u>	<u>4,256,498</u>	
<b>b) Analysis of net funds</b>			
	<b>At 1 April 1997</b>	<b>Cash Flow</b>	<b>At 31 March 1998</b>
Cash in hand and at bank	4,913,433	1,489,924	6,403,357
Bank overdrafts and other loans due within one year	(816,357)	384,576	(431,781)
Bank loans due after one and within two years	-	(600,000)	(600,000)
Bank loans due after two and within five years	-	(1,800,000)	(1,800,000)
Bank loans due after five years	-	(2,415,485)	(2,415,485)
Loanstock	159,422	(63,443)	95,979
	<u>4,256,498</u>	<u>(3,004,428)</u>	<u>1,252,070</u>
<b>c) Bank loans</b>			

The bank borrowings are the stand alone debt of Smartstage Limited, one of the group's subsidiary companies, and are not guaranteed by any of the other group companies