

REGISTRARS COPY

LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIES

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1993

COMPANY NUMBER 820148



LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIES

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1993

CONTENTS

PAGE

Directors' report	1 & 2
Auditors' report	3
Consolidated profit and loss account	4
Consolidated balance sheet	5
Company balance sheet	6
Consolidated cash flow statement	7
Notes to the financial statements	8 to 14
Detailed profit and loss accounts (for directors' use only)	15 & 16

LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIESDIRECTORS' REPORTYEAR ENDED 31 MARCH 1993

The directors present their annual report together with the audited financial statements for the year ended 31 March 1993.

1. Activities

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, poultry rearing and related farming interests.

2. Review of Developments

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

Financial Position

The directors consider the financial position to be satisfactory.

3. Dividends and Transfers to Reserves

The directors do not recommend the payment of a dividend. The results of the group are shown on page 4.

4. Future Prospects

The directors view the future with cautious optimism.

5. Fixed Assets

Changes to fixed assets are detailed in the notes to the financial statements.

6. Directors

The present membership of the board is set out below. All directors served throughout the year. The directors beneficial interests as defined by the Companies Act 1985, in the shares of the Company at 31 March 1993 and 31 March 1992 were as follows:

	<u>1993</u>	<u>1992</u>
H D Lloyd	-	1000
W J Lloyd	1000	1000
A E Leal	-	-
W D Lloyd	3990	3490

LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIESDIRECTORS' REPORT CONTINUEDYEAR ENDED 31 MARCH 1993

Mr H D Lloyd holds one share in each of the subsidiary companies as nominee for Lloyd's (Animal) Feeds Limited. The other directors have no interest in the shares of any of the subsidiary companies.

7. Close Company

So far as the directors are aware, the company is a close company for taxation purposes.

8. Donations

During the year the company made the following donation:

Charitable purposes	£3,000
---------------------	--------

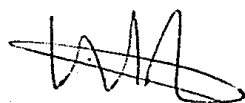
9. Employment of Disabled Persons

Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

10. Auditors

The auditors, Dennis R Edwards & Co, have expressed their willingness to continue in office and offer themselves for re-appointment in accordance with Section 384(1) of the Companies Act 1985.

BY ORDER OF THE BOARD



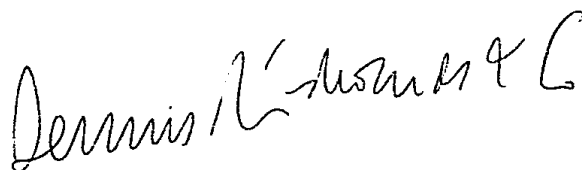
W D LLOYD  
Secretary

26 April 1994

REPORT TO THE MEMBERS OFLLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIES

We have audited the financial statements on pages 4 to 14 in accordance with approved Auditing Standards.

In our opinion the financial statements which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company and of the group at 31 March 1993 and of the results and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DENNIS R EDWARDS & CO  
Chartered Accountants  
Registered Auditors

7 Lower Brook Street  
OSWESTRY  
Shropshire  
SY11 2HG

26 April 1994

LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIESCONSOLIDATED PROFIT AND LOSS ACCOUNTYEAR ENDED 31 MARCH 1993

	NOTE	<u>1993</u>	<u>1992</u>
		£	£
TURNOVER	1.1 & 2	37,753,444	31,770,712
COST OF SALES		(35,621,007)	(29,298,152)
GROSS PROFIT		2,132,437	2,472,560
DISTRIBUTION COSTS		(749,774)	(727,386)
ADMINISTRATION EXPENSES		(1,365,683)	(1,485,449)
OTHER OPERATING INCOME		<u>565,759</u>	<u>108,128</u>
OPERATING PROFIT		582,739	367,853
INVESTMENT INCOME		441,458	528,026
INTEREST PAYABLE		<u>(55,601)</u>	<u>(18,223)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	12 & 2	968,596	877,656
SHARE OF PROFIT FROM ASSOCIATED COMPANIES		<u>79,491</u>	<u>58,173</u>
PROFIT INCLUDING ASSOCIATED COMPANIES		1,048,087	935,829
TAXATION	4.1	<u>(329,668)</u>	<u>(217,642)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		718,419	718,187
MINORITY INTEREST		<u>107,311</u>	<u>49,903</u>
PROFIT FOR THE FINANCIAL YEAR	8	825,730	768,090
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		<u>10,935,022</u>	<u>10,166,932</u>
PROFIT AND LOSS ACCOUNT CARRIED FORWARD	8	<u>£11,760,752</u> =====	<u>£10,935,022</u> =====

LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIESCONSOLIDATED BALANCE SHEETAS AT 31 MARCH 1993

	NOTE	<u>1993</u>		<u>1992</u>	
		£	£	£	£
FIXED ASSETS					
Goodwill		75,288		75,288	
Tangible assets	6	3,468,022		3,933,356	
Investments	5	<u>529,596</u>	4,072,906	<u>98,199</u>	4,106,843
CURRENT ASSETS					
Stock	1.3 & 14	3,483,818		3,234,597	
Debtors and prepayments		4,966,777		4,865,492	
Cash at bank and in hand		6,958,532		7,685,223	
Loans	7	314,033		11,085	
Due from associated companies		<u>29,406</u>		<u>3,620</u>	
		<u>15,752,566</u>		<u>15,800,017</u>	
CREDITORS:-					
(amounts falling due within one year)					
Trade creditors and accruals	15	3,503,560		3,015,204	
Bank overdraft (secured)	11	3,848,289		4,642,337	
Taxation		<u>646,934</u>		<u>1,046,039</u>	
		<u>7,998,783</u>		<u>8,703,580</u>	
NET CURRENT ASSETS			<u>7,753,783</u>		<u>7,096,437</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			11,826,689		11,203,280
PROVISION FOR LIABILITIES AND CHARGES	13		( 83,721)		(178,731)
CREDITORS:					
(amounts falling due after one year)					
			<u>(18,021)</u>		<u>(18,021)</u>
			£11,724,947		£11,006,528
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	9		10,000		10,000
Reserves	8		11,771,154		10,945,424
Minority interest			<u>(56,207)</u>		<u>51,104</u>
			£11,724,947		£11,006,528
			=====		=====

These financial statements were approved by the Board of Directors on 26 April 1994.

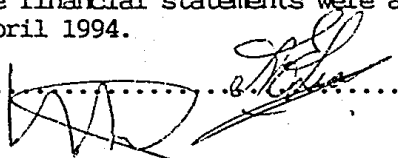
..... DIRECTOR

..... DIRECTOR

LLOYD'S (ANIMAL) FEEDS LIMITEDBALANCE SHEETAS AT 31 MARCH 1993

	NOTE	1993	1992
		£	£
FIXED ASSETS			
Tangible assets	6	1,712,170	1,763,846
Investments	5	874,539	546,409
Goodwill		75,288	75,288
		<u>2,661,997</u>	<u>2,385,543</u>
CURRENT ASSETS			
Stock	1.3 & 14	535,469	528,234
Debtors and prepayments		3,319,578	2,572,771
Amount due from subsidiaries		986,680	1,010,712
Cash at bank and in hand		4,459,441	4,907,092
Due from associated companies		24,035	141
		<u>9,325,203</u>	<u>9,018,950</u>
CREDITORS:			
(amounts falling due within one year)			
Trade creditors and accruals	15	2,635,332	2,238,940
Bank overdraft (secured)	11	2,067,874	2,844,573
Taxation		612,123	708,549
Due to subsidiaries		122,936	103,042
		<u>5,438,265</u>	<u>5,895,104</u>
NET CURRENT ASSETS		<u>3,886,938</u>	<u>3,123,846</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,548,935	5,509,389
DEFERRED TAX	13	( 22,636)	(100,765)
		<u>£6,526,299</u>	<u>£5,408,624</u>
CAPITAL AND RESERVES			
Called up share capital	9	10,000	10,000
Profit and loss account	8	6,516,299	5,398,624
		<u>£6,526,299</u>	<u>£5,408,624</u>

These financial statements were approved by the Board of Directors on  
26 April 1994.

.....  ..... DIRECTOR

..... DIRECTOR



LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIESCASH FLOW STATEMENTYEAR ENDED 31 MARCH 1993

	<u>1993</u>		<u>1992</u>	
	£	£	£	£
OPERATING ACTIVITIES				
Operating profit	582,739		367,853	
Depreciation	758,564		716,121	
Loss/(Profit) on sale of fixed assets	75,911		(24,295)	
Profit on sale on investments	(448,993)		-	
Movement in stock	(249,221)		(899,906)	
Movement in debtors	(101,285)		(980,336)	
Movement in creditors	<u>462,570</u>		<u>814,323</u>	
NET CASH IN/(OUT) FLOW FROM OPERATING ACTIVITIES		1,080,285		(6,240)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	441,458		528,026	
Interest paid	<u>(55,601)</u>		<u>(18,223)</u>	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		385,857		509,803
TAXATION				
UK Corporation tax paid		(798,774)		(575,549)
INVESTING ACTIVITIES				
Purchase of intangible assets	-		(75,288)	
Purchase of tangible fixed assets	(489,861)		(1,432,061)	
Sale of tangible fixed assets	120,720		127,327	
Convertible loan stock	(351,733)		-	
Purchase of investments	(45,845)		-	
Sale of investments	469,656		-	
Loans made by the group	<u>(302,948)</u>		<u>-</u>	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(600,011)		(1,380,022)
NET CASH IN/(OUT)FLOW BEFORE FINANCING		<u>67,357</u>		<u>(1,452,008)</u>
FINANCING				
Minority interest funding	-		99,998	
Loans repaid	<u>-</u>		<u>229,615</u>	
		<u>67,357</u>		<u>329,613</u>
		=====		=====
NOTES TO THE CASH FLOW STATEMENT				
ANALYSIS OF CASH AND CASH EQUIVALENT DURING THE YEAR				
Balance at 1 April 1992		3,042,886		4,165,281
Net cash in/(out)flow		<u>67,357</u>		<u>(1,122,395)</u>
Balance at 31 March 1993		<u>3,110,243</u>		<u>3,042,886</u>
		=====		=====

LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIESNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 1993

## 1. ACCOUNTING POLICIES

## 1.1 TURNOVER

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

## 1.2 DEPRECIATION

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

Freehold property	Nil
Office equipment, plant machinery and installations	10%-15% per annum on cost
Motor vehicles	25% per annum on cost
Freehold buildings	Nil-4% per annum on cost

## 1.3 STOCK

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

## 1.4 DEFERRED TAXATION

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

## 1.5 ACCRUALS AND 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.

## 1.6 BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of the company and all subsidiaries for the financial period ended 31 March 1993. 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. Any goodwill arising on acquisition is written off depending on the expected life of the asset.

## 1.7 REPAIRS AND 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.

## 1.8 COMPUTER SOFTWARE

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

LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIESNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 19932. TURNOVER AND PROFITS

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

	<u>Turnover</u>		<u>Profit before taxation</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Production of feeding stuffs	15,150,063	11,617,368	1,908,104	890,474
Poultry rearing, production and sale of eggs	17,198,973	14,273,133	(505,943)	325,983
Primary and further processing of poultry	2,193,133	3,403,024	(387,122)	(294,875)
Motor trading	3,174,413	637,554	(46,803)	(57,458)
Others	36,862	1,839,633	360	11,468
	<u>£37,753,444</u>	<u>£31,770,712</u>	<u>£968,596</u>	<u>£875,592</u>
	=====	=====	=====	=====

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Directors' remuneration:		
Fees	£326,500	£304,000
	=====	=====
Emoluments of the chairman	£90,000	£75,000
	=====	=====
Emoluments of the highest paid director	£120,000	£120,000
	=====	=====
Scale of directors remuneration:	<u>No</u>	<u>No</u>
40,001 to 45,000	-	1
45,001 to 50,000	1	-
60,001 to 65,000	-	1
65,001 to 70,000	1	-
70,001 to 75,000	-	1
85,001 to 90,000	1	-
115,001 to 120,000	1	1
Employee costs during year:	<u>£</u>	<u>£</u>
Wages and salaries	£3,668,960	£3,131,630
Other pension costs	£ 61,691	£ 116,316
	=====	=====
Average number of employees:	<u>No</u>	<u>No</u>
Production	283	277
Sales and distribution	44	34
Administration	55	46
	===	===

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

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1993

## 4.1 TAXATION

The taxation charge is made up as follows:

	GROUP		COMPANY	
	1993 £	1992 £	1993 £	1992 £
Corporation tax on profits for the year at 33% (1992 33%)	374,450	264,193	270,000	300,000
Deferred tax	(95,010)	(72,575)	(78,129)	(50,265)
Tax on profits of associated companies	25,009	18,614	-	-
Under provision in previous year	25,219	7,410	23,856	-
	<u>£329,668</u>	<u>£217,642</u>	<u>£215,727</u>	<u>£249,735</u>
	=====	=====	=====	=====

- 4.2 In accordance with the group's accounting policy a provision of £83,721 (1992 £178,731) 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 33% (1992 33%) on the difference between the book and tax written down values of assets being the maximum foreseeable liability.

## 5.1 INVESTMENTS

	GROUP		COMPANY	
	1993 £	1992 £	1993 £	1992 £
Unquoted trade investments at cost	57,234	11,389	57,234	11,389
Shares in associated companies at cost	1	20,664	1	20,664
Share of profits in associated companies	120,628	66,146	-	-
Convertible loan stock (repayable in five years)	351,733	-	-	-
	<u>£529,596</u>	<u>£98,199</u>	<u>£57,235</u>	<u>£32,053</u>
	=====	=====		
Add investment in subsidiaries (5.2) loans			203,271	203,271
			614,033	311,085
			<u>£874,539</u>	<u>£546,409</u>
			=====	=====

## 5.2 INVESTMENT IN SUBSIDIARY COMPANIES

The investment in subsidiary companies consists of the following:

	Shares Held	Percentage Holding	Cost 1993 £	Cost 1992 £
Llyncllys Farm Limited	100	100%	100	100
Knockin Egg Farms Limited	150,000	100%	29,117	29,117
Country Fresh Pullets Limited	12,600	100%	5,050	5,050
SIML (Holdings) Limited	100	100%	100	100
Hyton Poultry Limited	996	100%	996	996
Tanat Valley Eggs Limited	24,000	100%	5,404	5,404
Leesouth Limited	2	100%	2	2
O G Griffiths & Sons Limited	202,500	75%	186,750	186,750
Ron Saunders Limited	150,000	75%	150,000	150,000
			<u>377,521</u>	<u>377,521</u>
Add loan to Country Fresh Pullets Limited (interest free with no provision for repayment)			12,500	12,500
			<u>390,021</u>	<u>390,021</u>
Less provision for loss on investment			(186,750)	(186,750)
			<u>£203,271</u>	<u>£203,271</u>
			=====	=====

LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIESNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 1993

## 6. FIXED ASSETS

6.1 GROUP

	Freehold Property	Equipment & machinery	Leased Assets	Motor Vehicles	Total
	£	£	£	£	£
Cost at 1/4/92	1,330,141	6,014,317	216,158	1,173,477	8,734,093
Additions	230,809	101,715	-	157,337	489,861
Disposals	-	(178,269)	-	(164,750)	(343,019)
Cost at 31/3/93	1,560,950	5,937,763	216,158	1,166,064	8,880,935
Accumulated dep'n at 1/4/92	16,661	3,814,528	178,882	790,666	4,800,737
Charge for year	9,736	541,529	14,541	192,758	758,564
Eliminated on disposal	-	(54,697)	-	(91,691)	(146,388)
Accumulated dep'n at 31/3/93	26,397	4,301,360	193,423	891,733	5,412,913
Net book value at 31/3/93	£1,534,553	1,636,403	22,735	274,331	3,468,022
=====					
Net book value at 31/3/92	£1,313,480	2,199,789	37,276	382,811	3,933,356
=====					

6.2 COMPANY

Cost at 1/4/92	428,029	2,618,281	216,158	981,400	4,243,868
Additions	185,248	49,097	-	149,087	383,432
Disposals	-	(37,500)	-	(93,584)	(131,084)
Cost at 31/3/93	613,277	2,629,878	216,158	1,036,903	4,496,216
Accumulated dep'n at 1/4/92	-	1,639,942	178,882	661,199	2,480,023
Charge for year	-	195,399	14,541	173,850	383,790
Eliminated on	-	(22,500)	-	(57,266)	(79,766)
Accumulated dep'n at 31/3/93	-	1,812,841	193,423	777,783	2,784,047
Net book value at 31/3/93	£ 613,277	817,037	22,735	259,120	1,712,169
=====					
Net book value at 31/3/92	£ 428,029	978,339	37,276	320,201	1,763,845
=====					

LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIESNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 1993

## 7. LOANS

The Group has made loans to third parties on which interest is charged. One of these loans is to a Company of which Mr H D Lloyd is both a director and 50% shareholder. These loans carry no fixed provision for repayment.

## 8. RESERVES

The reserves consist of the following:-

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Profit and loss account	11,760,752	10,935,022	6,516,299	5,398,624
Pre-incorporation profits	320	320	-	-
Asset revaluation reserve	45,265	45,265	-	-
Goodwill on consolidation	(35,183)	(35,183)	-	-
	<u>£11,771,154</u>	<u>10,945,424</u>	<u>6,516,299</u>	<u>5,398,624</u>
	=====			

## 9. CALLED UP SHARE CAPITAL

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

	Authorised	Issued and fully paid	<u>1993</u>	<u>1992</u>
Ordinary £1 shares	10000	10000	£10,000	£10,000
			=====	=====

## 10. SUBSIDIARY DIRECTORS LOANS

The directors loan accounts are interest free and are repayable on demand.

LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIESNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 1993

## 11. CONTINGENT LIABILITY

The company has given unlimited cross guarantees to the bank for all the group companies.

## 12. PROFIT BEFORE TAX AFTER CHARGING

	GROUP		COMPANY	
	1993	1992	1993	1992
	£	£	£	£
Directors' remuneration	326,500	353,858	326,500	304,000
Auditors remuneration	36,850	34,654	20,000	19,704
Depreciation (note 1.2)	758,564	716,121	368,860	436,969
	=====	=====	=====	=====

An amount of £448,993 is included in other operating income, being profit on sale of shares in a previously associated company.

Profit is after deducting losses of £387,122 on discontinued operations.

## 13. PROVISION FOR LIABILITIES AND CHARGES

	GROUP		COMPANY	
	1993	1992	1993	1992
	£	£	£	£
Deferred tax (note 4.2)	£ 83,721	£178,731	£ 22,636	£100,765
	=====	=====	=====	=====

LLOYD'S (ANIMAL) FEEDS LIMITED AND SUBSIDIARIESNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 1993

## 14. STOCK

	GROUP		COMPANY	
	1993	1992	1993	1992
	£	£	£	£
Finished products	242,965	111,021	242,965	111,021
Raw materials	272,504	260,092	292,504	260,092
Other stock	2,968,349	2,863,484	-	157,211
	<u>£3,483,818</u>	<u>3,234,597</u>	<u>535,469</u>	<u>£528,234</u>
	=====	=====	=====	=====

## 15. CREDITORS

	GROUP		COMPANY	
	1993	1992	1993	1992
	£	£	£	£
Trade creditors and accruals	3,394,101	3,004,243	108,535	2,236,834
Taxation and social security	109,459	10,961	-	2,106
	<u>£3,503,560</u>	<u>£3,015,204</u>	<u>108,535</u>	<u>2,238,940</u>
	=====	=====	=====	=====

## 16. PROFIT OF PARENT COMPANY

As permitted by Section 228 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The consolidated profit for the year includes £1,603,405 (1992 £901,362) which is dealt with in the financial statements of the parent company.