

**H BRONNLEY & COMPANY LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**YEAR ENDED 31st DECEMBER 2000**

**Company Number: 46883**



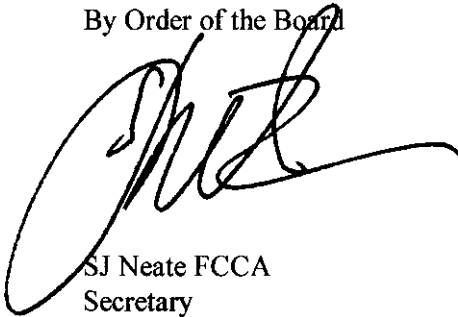
## **H BRONNLEY & COMPANY LIMITED**

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the members of the Company will be held at the registered office of the Company at Radstone Road, Brackley, NN13 5AU on 12th September 2001 at 2.30 pm to transact the following business.

1. To receive and consider the Directors' Report and Audited Accounts for the year ended 31 December 2000.
2. To confirm the Dividends as set out in the Audited Accounts.
3. To re-elect Mr FJ Morris as a Director.
4. To resolve that the amount of Directors' fees to be paid to each Director pursuant to Article 94 of the Articles of Association shall be £4,500 per annum as from 1 January 2001.
5. To reappoint auditors and authorise the Directors to determine their remuneration.
6. To transact any other business which may be properly transacted at an Annual General Meeting of the Company.

By Order of the Board



SJ Neate FCCA  
Secretary

Date: 19 JUL 2001

Radstone Road  
Brackley  
Northamptonshire  
NN13 5AU

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and, on a poll, to vote on his/her behalf. A proxy need not be a member of the Company. Any instrument appointing a proxy, to be valid, must be lodged with the Company Secretary at the registered office not later than forty-eight hours before the time fixed for the meeting.

## **H BRONNLEY & COMPANY LIMITED**

### **DIRECTORS' REPORT**

The directors are pleased to submit their report and the accounts for the year ended 31 December 2000.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the group during the year continued to be the production and wholesale distribution of quality soap and toiletries.

Whilst sales in 2000 were slightly reduced compared with the previous year, margins improved leading to increased profitability. In 2001 and beyond it is likely that there will be significantly increased pension costs.

The directors consider the result to be satisfactory.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for its financial year. In doing so, the directors are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, 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 maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **RESULTS AND DIVIDENDS**

The profit of the group for the year after taxation amounted to £356,425 (1999- £380,911)

Dividends have been paid on the Preference Shares for 2000. The directors recommend that a dividend be declared on the Ordinary Shares of £25,028 (6 pence per share) (1999- £25,028 (6 pence per share)). The remaining profit for the financial year of £329,416 (1999- £353,902) has been carried forward.

## **H BRONNLEY & COMPANY LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **DIRECTORS AND INTERESTS IN SHARES**

The names of the present directors, all of whom served throughout the year, and the number of shares in the company in which they had an interest, as defined by the Companies Act 1985, are as follows:

At beginning and end of the year:

	Beneficial Interest				Other Interest			
	Ordinary Shares		Preference Shares		Ordinary Shares		Preference Shares	
	Voting	Non-Voting	6%"B"	5%	Voting	Non-Voting	6%"B"	5%
Miss A Rossiter OBE (Chairman)*	17,365	141,556	15,797	125	--	--	--	--
AR Smith CA	--	--	100	--	--	--	--	--
HG Blank FCA	--	--	--	--	--	--	--	--
FJ Sheppard (Managing Director)*	500	--	--	--	--	--	--	--
FJ Morris	--	--	--	--	--	--	--	--
*Directors Joint Interests	--	--	--	--	4,181	15,985	4,096	4,625

#### **DIRECTORS' INSURANCE**

An insurance policy is maintained for the directors of the company to be indemnified in respect of liabilities incurred in the execution of their duties.

#### **ENVIRONMENTAL STATEMENT**

The Company continues to monitor all processes to ensure that the environmental impact from manufacturing activities are minimised. The processes will be independently examined by an outside agency, which the Company will be instructing to undertake a full environmental audit, during the next financial year.

The Company wishes to record its grateful thanks to all members of staff who actively seek to implement new methods of working for the benefit of the environment.

#### **CHARITABLE DONATIONS**

There were charitable donations in the year of £700 (1999 £106).

**H BRONNLEY & COMPANY LIMITED**

**DIRECTORS' REPORT (continued)**

**STAFF**

The Directors thank the staff for their loyalty and co-operation during the year.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'SJ Neate', with a long horizontal line extending to the right.

SJ Neate FCCA

Secretary

Date: 19 JUL 2001

Radstone Road  
Brackley  
Northamptonshire  
NN13 5AU

**AUDITORS' REPORT TO THE MEMBERS OF**  
**H BRONNLEY & COMPANY LIMITED**

We have audited the accounts on pages 6 to 19, which have been prepared under the accounting policies set out on page 10.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the directors' report, the company's directors are responsible for the preparation of the accounts. It is our responsibility as auditors 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 group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations that 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 affairs of the company, and the group as at 31 December 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward  
Chartered Accountants  
Registered Auditors

London  
Date:

*BDO Stoy Hayward*  
*19/7/01*

**H BRONNLEY & COMPANY LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2000**

	Note	2000 £	1999 £
<u>TURNOVER</u>	2	6,949,895	7,140,730
Cost of sales		<u>(3,793,497)</u>	<u>(4,040,274)</u>
<u>GROSS PROFIT</u>		3,156,398	3,100,456
Selling and distribution costs		<u>(1,431,966)</u>	<u>(1,497,083)</u>
Administrative expenses		<u>(1,196,324)</u>	<u>(1,076,383)</u>
<u>OPERATING PROFIT</u>		528,108	526,990
Other operating income/(expenses)	3	<u>21,778</u>	<u>(26,952)</u>
		549,886	500,038
Interest payable	4	<u>(2,363)</u>	<u>(5,175)</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	2	547,523	494,863
Tax thereon	6	<u>(191,098)</u>	<u>(113,952)</u>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		356,425	380,911
(including parent company £366,719 (1999- £371,520))			
Dividends	7	<u>(27,009)</u>	<u>(27,009)</u>
<u>RETAINED PROFIT FOR THE FINANCIAL YEAR</u>		329,416	353,902
Retained profits brought forward		<u>1,885,703</u>	<u>1,531,801</u>
<u>RETAINED PROFITS CARRIED FORWARD</u>		<u>2,215,119</u>	<u>1,885,703</u>

As there were no acquisitions or discontinued activities in the year, all disclosures relate only to continuing operations.

The group has no recognised gains or losses other than the profit for the year.

There is no movement in shareholders' funds other than the profit for the year.

**H BRONNLEY & COMPANY LIMITED****CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2000**

	Note	2000	1999
		£	£
FIXED ASSETS			
Tangible assets	8	1,668,692	1,675,907
CURRENT ASSETS			
Stocks	10	1,775,051	1,536,455
Debtors	11	1,389,931	1,299,611
Cash at bank and in hand		711,966	847,804
		<u>3,876,948</u>	<u>3,683,870</u>
Creditors - amounts falling due within one year	12	<u>(863,793)</u>	<u>(1,017,888)</u>
NET CURRENT ASSETS		<u>3,013,155</u>	<u>2,665,982</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,681,847	4,341,889
Provisions for liabilities and charges	13	(110,737)	(100,195)
TOTAL NET ASSETS		<u>4,571,110</u>	<u>4,241,694</u>
CAPITAL AND RESERVES			
Called-up Share Capital	14	450,991	450,991
Reserve		1,905,000	1,905,000
Profit & Loss Account		<u>2,215,119</u>	<u>1,885,703</u>
SHAREHOLDERS' FUNDS (including non equity interests)	15	<u>4,571,110</u>	<u>4,241,694</u>

Approved by the board on 19th July 2001.

Ann Rossiter O.B.E.  
Chairman



**H BRONNLEY & COMPANY LIMITED****COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2000**

	Note	2000		1999	
FIXED ASSETS		£	£	£	£
Tangible assets	8		1,668,311		1,675,017
Investments	9		202		202
			<u>1,668,513</u>		<u>1,675,219</u>
CURRENT ASSETS					
Stocks	10	1,775,051		1,536,455	
Debtors	11	1,400,181		1,352,354	
Cash at bank and in hand		<u>679,144</u>		<u>764,000</u>	
		3,854,376		3,652,809	
Creditors - amounts falling due within one year	12	<u>(862,896)</u>		<u>(1,018,287)</u>	
NET CURRENT ASSETS			<u>2,991,480</u>		<u>2,634,522</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,659,993		4,309,741
Provisions for liabilities and charges	13		<u>(110,737)</u>		<u>(100,195)</u>
TOTAL NET ASSETS			<u>4,549,256</u>		<u>4,209,546</u>
CAPITAL AND RESERVES					
Called-up Share Capital	14		450,991		450,991
Reserve			1,905,000		1,905,000
Profit & Loss Account			<u>2,193,265</u>		<u>1,853,555</u>
SHAREHOLDERS' FUNDS (including non-equity interests)	15		<u>4,549,256</u>		<u>4,209,546</u>

Approved by the board on 19th July 2001.

Ann Rossiter O.B.E.  
Chairman

**H BRONNLEY & COMPANY LIMITED****CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31 DECEMBER 2000**

	Note	2000 £	1999 £
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	16	96,098	1,111,021
Servicing of finance	17	11,004	(4,433)
Taxation paid		(108,610)	(214,077)
Capital expenditure and financial investment	17	(115,595)	(13,459)
Equity dividend paid		(25,028)	(25,028)
Net cash inflow before financing		(142,131)	854,024
Financing	17	--	(100,000)
(DECREASE)/INCREASE IN CASH BALANCES		<u>(142,131)</u>	<u>754,024</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)	Note	2000 £	1999 £
(Decrease)/Increase in cash in the year		(142,131)	754,024
Cash inflow in funds and lease financing		<u>--</u>	<u>100,000</u>
Change in net (debt)/funds resulting from cash flows		(142,131)	854,024
Translation differences		<u>6,293</u>	<u>(482)</u>
Movement in net (debt)/funds in the year		(135,838)	853,542
Net funds/(debt) as at 1 January	18	<u>847,804</u>	<u>(5,738)</u>
NET FUNDS AS AT 31 DECEMBER	18	<u>711,966</u>	<u>847,804</u>

# **H BRONNLEY & COMPANY LIMITED**

## **NOTES TO THE ACCOUNTS**

### **1.ACCOUNTING POLICIES**

#### **Accounting convention**

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

#### **Basis of consolidation**

The group accounts consolidate the accounts of the parent company and the accounts of its subsidiary undertakings made up to 31 December 2000. No profit and loss account is presented for the parent company as permitted by Section 230 of the Companies Act 1985.

#### **Turnover**

Group turnover comprises amounts invoiced, excluding value added tax, in respect of goods and services provided by the companies.

#### **Depreciation of tangible fixed assets**

Depreciation is provided on all tangible fixed assets other than freehold land to write them off over their anticipated useful lives at the following annual rates and methods:

Freehold buildings		2% - 5% straight line
Plant and machinery	plant and fixtures	10% straight line
	computers and vehicles	20% straight line

#### **Stocks**

Stocks are valued at the lower of cost, including appropriate overheads, and estimated net realisable value.

#### **Operating lease contracts**

Rentals under operating leases are charged to the profit and loss account as incurred.

#### **Foreign currencies**

In the accounts of the individual companies, assets and liabilities expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate ruling at the date of the transaction and ensuing differences are taken to profit and loss account.

The difference arising on restatement of the accumulated losses of foreign subsidiary undertakings is also taken to profit and loss account, because the losses have been financed by the holding company.

#### **Deferred taxation**

Deferred taxation is calculated using the liability method and provision is made to the extent that it is likely that such tax will become payable in the foreseeable future.

#### **Pension costs**

Contributions to the defined benefit pension scheme are charged to the profit and loss account on a systematic and rational basis to spread the cost of providing pensions over the employees' working lives within the group.

**H BRONNLEY & COMPANY LIMITED****NOTES TO THE ACCOUNTS (continued)****2.TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2000 £	1999 £
Turnover by geographical area		
United Kingdom	4,626,167	4,793,569
Rest of Europe	1,052,878	1,191,944
North and South America	830,651	679,712
Africa, Asia and Australia	440,199	475,505
	<u>6,949,895</u>	<u>7,140,730</u>

Profit on ordinary activities before taxation  
is stated after charging:

Depreciation of fixed assets	117,046	132,666
Auditors' remuneration		
Audit fee (parent company)	18,750	26,000
Non-audit services	18,350	14,400
Hire of equipment – operating leases	73,211	79,204
Rent of property – operating leases	8,200	8,529
Directors' emoluments	<u>267,449</u>	<u>255,183</u>

**3.OTHER OPERATING INCOME/(EXPENSES)**

	2000 £	1999 £
Profit / (Loss) on exchange	11,684	(31,949)
Interest receivable	15,863	5,000
(Loss) on disposal of fixed assets	(5,769)	(3)
	<u>21,778</u>	<u>(26,952)</u>

**4.INTEREST PAYABLE**

	2000 £	1999 £
On bank and other borrowings (repayable within five years)	<u>2,363</u>	<u>5,175</u>

# **H BRONNLEY & COMPANY LIMITED**

## **NOTES TO THE ACCOUNTS (continued)**

### **5.DIRECTORS AND OTHER EMPLOYEES**

	2000	1999
	£	£
Staff costs comprise:		
Wages and salaries	2,191,595	2,141,276
Social security costs	188,954	180,228
Other pension costs	147,388	144,468
	<u>2,527,937</u>	<u>2,465,972</u>

Average number of persons employed by the group:

	2000	1999
	Number	Number
Production	81	78
Selling and distribution	35	36
Administration	27	26
	<u>143</u>	<u>140</u>

	£	£
Emoluments of the directors:		
For services as executives	245,949	234,433
For services as directors	21,500	20,750
	<u>267,449</u>	<u>255,183</u>

Number of directors	<u>5</u>	<u>5</u>
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Two directors had benefits accruing under a defined benefit pension scheme.

The emoluments of the highest paid director were as follows:

	2000	1999
	£	£
For services	<u>81,598</u>	<u>77,956</u>

At the balance sheet date the highest paid director had accrued pension rights amounting to £31,345 per annum (1999- £29,345).

### **6.TAXATION**

	2000	1999
	£	£
UK Corporation tax	180,556	108,610
Increase in deferred taxation provision	10,542	9,000
UK Corporation tax over provided in prior years	--	(3,658)
	<u>191,098</u>	<u>113,952</u>

**H BRONNLEY & COMPANY LIMITED****NOTES TO THE ACCOUNTS (continued)**

<b>7.DIVIDENDS</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
5% Preference shares	250	250
6% "B" Preference shares	1,731	1,731
Ordinary shares - proposed dividend of 6p per share (1999- 6p)	<u>25,028</u>	<u>25,028</u>
	<u>27,009</u>	<u>27,009</u>

<b>8.TANGIBLE FIXED ASSETS</b>	<b>Freehold land and buildings</b>	<b>Plant and machinery</b>	<b>Total</b>
<b>Group</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2000	2,042,914	1,037,227	3,080,141
Additions	867	115,628	116,495
Disposals	--	(95,363)	(95,363)
Exchange adjustment	--	5	5
At 31 December 2000	<u>2,043,781</u>	<u>1,057,497</u>	<u>3,101,278</u>
<b>Depreciation</b>			
At 1 January 2000	566,934	837,300	1,404,234
Charge for year	50,767	66,279	117,046
Disposals	--	(88,694)	(88,694)
At 31 December 2000	<u>617,701</u>	<u>814,885</u>	<u>1,432,586</u>
Net Book Value at 31 December 2000	<u>1,426,080</u>	<u>242,612</u>	<u>1,668,692</u>
Net Book Value at 31 December 1999	<u>1,475,980</u>	<u>199,927</u>	<u>1,675,907</u>

**Parent Company**

<b>Cost</b>			
At 1 January 2000	2,042,914	1,017,500	3,060,414
Additions	867	115,628	116,495
Disposals	--	(95,363)	(95,363)
At 31 December 2000	<u>2,043,781</u>	<u>1,037,765</u>	<u>3,081,546</u>
<b>Depreciation</b>			
At 1 January 2000	566,934	818,463	1,385,397
Charge for year	50,767	65,765	116,532
Disposals	--	(88,694)	(88,694)
At 31 December 2000	<u>617,701</u>	<u>795,534</u>	<u>1,413,235</u>
Net Book Value at 31 December 2000	<u>1,426,080</u>	<u>242,231</u>	<u>1,668,311</u>
Net Book Value at 31 December 1999	<u>1,475,980</u>	<u>199,037</u>	<u>1,675,017</u>

# **H BRONNLEY & COMPANY LIMITED**

## **NOTES TO THE ACCOUNTS (continued)**

### **9.FIXED ASSET INVESTMENTS**

#### **SUBSIDIARY UNDERTAKINGS**

£

##### **Shares at cost:**

Cost at 1st January 2000 and 31st December 2000	6,503
Provision for diminution in value (1999-£6,301)	(6,301)
Net book value at 31 December 2000 (1999-£202)	<u>202</u>

The group has the following wholly owned subsidiary undertakings, who are all involved in the sale of the products of the holding company

	Country of Incorporation
H Bronnley (Africa) (Proprietary) Limited *	South Africa
Bronnley of London Inc.-USA	USA
Bronnley France Sarl	France
Bronnley of London, Inc. *	USA
Bronnley of London Limited *	Great Britain
A R Sales Limited *	Great Britain

\*These companies have not traded in the year.

### **10.STOCKS**

	Group		Parent Company	
	2000	1999	2000	1999
	£	£	£	£
Raw Materials	627,076	652,731	627,076	652,731
Work in Progress	566,123	397,943	566,123	397,943
Finished Goods	581,852	485,781	581,852	485,781
	<u>1,775,051</u>	<u>1,536,455</u>	<u>1,775,051</u>	<u>1,536,455</u>

**H BRONNLEY & COMPANY LIMITED****NOTES TO THE ACCOUNTS (continued)****11. DEBTORS**

	Group		Parent Company	
	2000	1999	2000	1999
	£	£	£	£
Trade debtors	1,263,343	1,174,726	1,197,703	1,123,313
Owed by subsidiary undertakings				
less provisions	--	--	100,759	126,083
Other debtors	49,894	44,933	40,402	34,997
Prepayments and accrued income	76,694	79,952	61,317	67,961
	<u>1,389,931</u>	<u>1,299,611</u>	<u>1,400,181</u>	<u>1,352,354</u>

**12. CREDITORS- amounts falling due within one year**

	Group		Parent Company	
	2000	1999	2000	1999
	£	£	£	£
Trade creditors	296,382	521,232	273,458	503,460
Owed to subsidiary undertakings	--	--	55,194	55,194
Other taxation and social security	147,884	141,105	120,859	114,566
Other creditors	3,181	2,899	708	423
Proposed dividend	25,028	25,028	25,028	25,028
Accruals and deferred income	210,762	219,014	207,093	211,006
Corporation tax	180,556	108,610	180,556	108,610
	<u>863,793</u>	<u>1,017,888</u>	<u>862,896</u>	<u>1,018,287</u>



# **H BRONNLEY & COMPANY LIMITED**

## **NOTES TO THE ACCOUNTS (continued)**

### **13. PROVISIONS FOR LIABILITIES AND CHARGES**

	Group		Parent Company	
	2000	1999	2000	1999
Deferred taxation:	£	£	£	£
Balance at 1 January	100,195	91,195	100,195	91,195
Transfer to profit and loss account	10,542	9,000	10,542	9,000
Balance at 31 December	<u>110,737</u>	<u>100,195</u>	<u>110,737</u>	<u>100,195</u>

The deferred taxation provision comprises:

	Group and Parent Company			
	2000		1999	
	Unprovided	Provided	Unprovided	Provided
Accelerated capital allowances	82,000	106,057	82,000	98,005
Other short term timing differences	--	4,680	--	2,190
	<u>82,000</u>	<u>110,737</u>	<u>82,000</u>	<u>100,195</u>

There is a potential deferred taxation liability, estimated at £31,919 (1999-£43,366) after rebasing at 1982 values where appropriate and indexation allowance, not provided in the accounts, in respect of the capital gain on the sale of property rolled over onto new capital expenditure.

### **14. SHARE CAPITAL**

	2000 and 1999	
	Authorised £	Allotted, Called & Fully Paid £
5% Preference Shares of £1 each	5,000	5,000
6% "B" Preference Shares of £1 each	68,000	28,859
Ordinary Shares of £1 each	47,000	34,761
Ordinary Non-Voting Shares of £1 each	400,000	382,371
	<u>520,000</u>	<u>450,991</u>

All the shares have voting rights except the non-voting shares. The 5% Preference Shares confer a right to priority in the return of capital and dividends over all other shares. The 6% "B" Preference Shares confer a right to priority in the return of capital and dividends over Ordinary Voting and Ordinary Non-Voting Shares

**H BRONNLEY & COMPANY LIMITED****NOTES TO THE ACCOUNTS (continued)****15. RECONCILIATION OF  
MOVEMENT IN  
SHAREHOLDERS'  
FUNDS**

	Group		Parent Company	
	2000	1999	2000	1999
	£	£	£	£
Profit for the year	356,425	380,911	366,719	371,520
Dividends	(27,009)	(27,009)	(27,009)	(27,009)
Net addition to shareholders' funds	<u>329,416</u>	<u>353,902</u>	<u>339,710</u>	<u>344,511</u>
Opening shareholders' funds	4,241,694	3,887,792	4,209,546	3,865,035
	<u>4,571,110</u>	<u>4,241,694</u>	<u>4,549,256</u>	<u>4,209,546</u>
Comprising:				
Equity interests	4,537,251	4,207,835	4,515,397	4,175,687
Non equity interests	33,859	33,859	33,859	33,859
	<u>4,571,110</u>	<u>4,241,694</u>	<u>4,549,256</u>	<u>4,209,546</u>

**16. RECONCILIATION OF OPERATING PROFIT TO NET  
CASH INFLOW FROM  
OPERATING ACTIVITIES**

	2000	1999
	£	£
Operating profit	528,108	526,990
Depreciation charges	117,046	132,666
Exchange adjustment	(4,992)	(31,326)
Loss on disposal of fixed assets	5,769	3
(Increase) / Decrease in stocks	(238,596)	185,614
(Increase) / Decrease in debtors	(84,571)	244,741
(Decrease) / Increase in creditors	(226,666)	52,333
Net cash inflow from operating activities	<u>96,098</u>	<u>1,111,021</u>

**H BRONNLEY & COMPANY LIMITED****NOTES TO THE ACCOUNTS (continued)****17. ANALYSIS OF CASH FLOW DURING THE YEAR**

	2000 £	1999 £
<b>Servicing of finance</b>		
Dividend paid on preference shares	(1,981)	(1,956)
Interest received	15,348	4,214
Interest paid	(2,363)	(6,691)
Net cash inflow / (outflow) for returns on financing	<u>11,004</u>	<u>(4,433)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(116,495)	(13,459)
Sale of fixed assets	900	--
Net cash outflow for capital expenditure and financial investment	<u>(115,595)</u>	<u>(13,459)</u>
<b>Financing</b>		
Repayment of loan	--	(100,000)
	<u>--</u>	<u>(100,000)</u>

**18. ANALYSIS OF CHANGE IN NET FUNDS**

	1st. January 2000 £	Cashflow £	Exchange movements £	31st. December 2000 £
Cash at bank	<u>847,804</u>	<u>(142,131)</u>	<u>6,293</u>	<u>711,966</u>

**19. OPERATING LEASE COMMITMENTS**

	Property Leases		Plant and Equipment	
	2000	1999	2000	1999
Annual amounts not provided:				
Group:				
Expiring within:				
1 year	8,200	8,529	41,525	13,291
2 - 5 years	--	--	27,708	55,092
	<u>8,200</u>	<u>8,529</u>	<u>69,233</u>	<u>68,383</u>
Parent company:				
Expiring within:				
1 year	--	--	33,900	6,108
2 - 5 years	--	--	27,708	55,092
	<u>--</u>	<u>--</u>	<u>61,608</u>	<u>61,200</u>

## **H BRONNLEY & COMPANY LIMITED**

### **NOTES TO THE ACCOUNTS (continued)**

#### **20. PENSIONS**

The company operates a defined benefit pension scheme, the assets of which are held in a separate trustee administered fund. This is a funded scheme.

The pension cost is assessed triennially by a professional qualified actuary using the "Attained Age" method of valuation. The principal assumptions used for the most recent valuation at 1 December 1997 were that the average investment return would be 9% per annum, that salary growth would average 6.5% per annum (previously 7.0% per annum). Further, pensions would increase at 3% per annum for benefits accrued up to 5th April 1997 and by 4.6% per annum for benefits accrued after 6th April 1997.

The valuation showed that the market value of the Fund's assets was £3,332,230 which represented 97.6% (deficit of £64,000) of the benefits that had accrued to members, allowing for future salary increases to retirement.

The excess of contributions over pension cost has increased the prepayment in the accounts to £15,600 (1999- £11,300). The pension cost for the period amounted to £135,300 (1999- £137,200) after allowing for interest on the prepayment.

The Scheme was closed to new employees who joined the company after 31st December 1998.

#### **21. CONTROLLING PARTY AND RELATED PARTIES**

Miss Ann Rossiter O.B.E. is the controlling party of the company.

There were no related party transactions during the year.