

Regular

59883

EDWARD BILLINGTON & SON LIMITED

DIRECTORS' REPORT AND ACCOUNTS

for the year ended

30th April 2003



EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Report of the Directors for the year ended 30th April 2003

The directors submit their report to the shareholders together with the audited accounts for the year ended 30th April 2003.

Profits, dividends and retentions

The results for the year are shown on the Consolidated Profit and Loss Account on page 6.

The profit on ordinary activities of the group before taxation amounts to £4,735,449 (2002 profit £2,825,950).

After provision for dividends of 24.9% (2002 22%), and other reserve movements, shareholders' funds have increased to £18,891,144.

Review of the principal activities of the business

The principal activities of the group during the year were the manufacture and marketing of food and the manufacture and merchandising of animal feed and other agricultural products.

The group's turnover was £120,887,184 (2002 £115,351,311)

Billington Food Group Limited had another excellent year and further improved its profits.

English Provender Company Limited continued to grow and improved its sales and profitability.

Classic Couverture Limited increased sales and profits during the year.

BCRD Limited performed very badly and in November 2002 the trade and assets of the business were sold. A significant element of the sale proceeds is to be paid on deferred terms; this will not be included in the group's profits until it is received.

Wholesome Sweeteners Incorporated, founded in 2001, markets organic and unrefined sweeteners in the US. The company continued to grow and made a useful contribution to group profits.

The combined result of Carrs Billington Agriculture (Operations) Limited and Carrs Billingtons Agriculture (Sales) Limited continued to improve.

Criddle & Co Limited had another successful year, once again increasing its profitability.

In summary, all the group's main businesses improved their performance during the year and this led to a record profit and a stronger balance sheet. The business of BCRD, which had been incurring losses, was disposed.

The Board is recommending an increase in the final dividend from 13.6% to 15.6%. This will increase dividends year on year by 13.2%.

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Report of the Directors for the year ended 30th April 2003

Employees

The group's employment policy encourages the provision of employment opportunities for disabled persons.

Employees are encouraged to become aware of and involve themselves in the performance of the company in which they work in the group, and long service employees are encouraged to become shareholders of the company.

The group has continued to follow the requirements of the Health & Safety at Work Act with concern for the welfare of its employees.

Directors and directors' interests

The members of the Board of Directors at 30th April 2003, together with details of their interests in the share capital of Edward Billington & Son Limited are shown below:

	Ordinary shares of £1 each		Second preferred ordinary shares of £1 each	
	2003	2002	2003	2002
E.W. Billington	35,201	35,201	9,856	9,292
M.R. Cashin	5,125	5,125	19,244	17,597
D. Marshall	1,450	1,450	5,974	5,159
R. Merrick	150	150	9,871	8,548
R.R. Toomey	20,159	20,159	3,730	2,434
L.L.R. Whiteley	80,976	80,976	21,668	20,066

In addition, Mr. L.L.R. Whiteley and Mr. E.W. Billington have an interest in a further 492,283 ordinary shares and 134,978 second preferred ordinary shares in Edward Billington & Son Limited, owned by a company in which they and certain members of their families are shareholders.

The holding of second preferred ordinary shares includes beneficial holdings held in the name of the trustees of the Edward Billington & Son Limited Employee Share Ownership Plan.

Mr. D. Marshall and Mr. R. Merrick retire by rotation and, being eligible, offer themselves for re-election.

Charitable donations

During the year the group contributed £7,905 for charitable purposes (2002 £8,330).

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Report of the Directors for the year ended 30th April 2003

Insurance of directors

The company provides insurance for its directors in respect of their duties as directors of the group.

Auditors

Mitchell Charlesworth are willing to continue in office as auditors and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



DAVID MARSHALL

Secretary

Cunard Building,
Liverpool L3 1EL.

22nd August 2003

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Statement of Directors' Responsibilities for the year ended 30th April 2003

The directors are required under company law to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for the period then ended.

In preparing these accounts, they 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, 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 also responsible for:

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

Mitchell Charlesworth

Chartered Accountants

Chavasse Court · 24 Lord Street · Liverpool · L2 1TA

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EDWARD BILLINGTON & SON LIMITED

We have audited the accounts of Edward Billington & Son Limited for the year ended 30th April 2003 which are set out on pages 6 to 33. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 9 and 10.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company and the group as at 30th April 2003 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MITCHELL CHARLESWORTH
Registered Auditor

22nd August 2003

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Consolidated Profit and Loss Account for the year ended 30th April 2003

	Notes	Continuing operations 2003 £'000	Discontinued operations 2003 £'000	Total 2003 £'000	Total 2002 £'000
Turnover	2	119,164	1,723	120,887	115,351
Cost of sales	3	<u>92,402</u>	<u>1,513</u>	<u>93,915</u>	<u>92,659</u>
Gross profit		26,762	210	26,972	22,692
Net operating expenses	3	<u>20,548</u>	<u>536</u>	<u>21,084</u>	<u>19,258</u>
Operating profit	4	6,214	(326)	5,888	3,434
Share of operating results of associates and joint venture	6	595	-	595	411
Exceptional item	7	<u>-</u>	<u>(784)</u>	<u>(784)</u>	<u>-</u>
Profit on ordinary activities before interest		6,809	(1,110)	5,699	3,845
Net interest paid	8			<u>964</u>	<u>1,019</u>
Profit on ordinary activities before taxation				4,735	2,826
Taxation	9			<u>1,449</u>	<u>846</u>
Profit on ordinary activities after taxation				3,286	1,980
Minority interests	20.2			<u>627</u>	<u>492</u>
Profit attributable to the members of the holding company				2,659	1,488
Dividends	10			<u>621</u>	<u>547</u>
Profit for the year				<u>2,038</u>	<u>941</u>

The notes on pages 9 to 32 form part of these accounts.

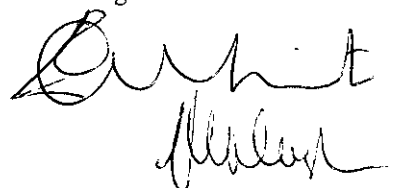
The analysis between continuing and discontinued operations for the comparative figures is shown in note 3.

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Balance Sheets 30th April 2003

		Group		Company	
	Notes	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Fixed assets					
Tangible assets	11	15,876	16,201	1,041	1,061
Intangible assets	12	2,586	3,100	-	-
Investments	13	<u>1,730</u>	<u>1,337</u>	<u>1,203</u>	<u>1,800</u>
		<u>20,192</u>	<u>20,638</u>	<u>2,244</u>	<u>2,861</u>
Current assets					
Stocks	14	11,630	11,189	-	-
Debtors	15	18,446	15,669	15,828	16,219
Cash at bank and in hand		<u>391</u>	<u>1,271</u>	<u>3</u>	<u>5</u>
		<u>30,467</u>	<u>28,129</u>	<u>15,831</u>	<u>16,224</u>
Creditors					
Amounts falling due within one year	16	<u>25,890</u>	<u>26,423</u>	<u>11,664</u>	<u>12,638</u>
Net current assets		<u>4,577</u>	<u>1,706</u>	<u>4,167</u>	<u>3,586</u>
Total assets less current liabilities		<u>24,769</u>	<u>22,344</u>	<u>6,411</u>	<u>6,447</u>
Creditors					
Amounts falling due after more than one year	17	3,311	3,912	180	195
Provision for liabilities and charges	20	<u>2,567</u>	<u>1,592</u>	<u>14</u>	<u>44</u>
		<u>18,891</u>	<u>16,840</u>	<u>6,217</u>	<u>6,208</u>
Capital and reserves					
Called up share capital	21	2,505	2,505	2,505	2,505
Share premium account	22	87	87	87	87
Revaluation reserve	22	177	180	107	110
Capital reserves	22	2,132	2,132	-	-
Profit and loss account	22	<u>13,990</u>	<u>11,936</u>	<u>3,518</u>	<u>3,506</u>
Total shareholders' funds	23	<u>18,891</u>	<u>16,840</u>	<u>6,217</u>	<u>6,208</u>

Approved by the Board of Directors
on 22nd August 2003



LLOYD WHITELEY)

MARK CASHIN)

) Directors

The notes on pages 9 to 32 form part of these accounts.

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Consolidated Cash Flow Statement for the year ended 30th April 2003

	2003	2002
	£'000	£'000
Cash flow from operating activities (note 29)	5,881	5,916
Returns on investments and servicing of finance		
Interest received	26	26
Interest paid	(787)	(762)
Finance lease interest	(128)	(193)
	(889)	(929)
Taxation	(867)	(1,125)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,830)	(2,034)
Disposal of tangible fixed assets	138	190
Additional subscription to trade investment	-	(80)
Disposal of trade investments	-	45
	(2,692)	(1,879)
Acquisitions and disposals		
Purchases of subsidiaries	-	(5)
Purchase of associates	-	(596)
Additional investment in subsidiary undertakings	(100)	(1,054)
Disposal of businesses (note 32)	115	50
Minority shareholders subscription in subsidiary	-	32
Net cash of subsidiaries acquired and disposed	-	(2,587)
	15	(4,160)
Equity dividends paid	(574)	(503)
Cash inflow before financing	874	(2,680)
Financing		
Loan repayments	(469)	(202)
New loans	472	1,783
Bills of exchange	-	16
New finance leases	658	461
Capital element of finance lease repayments	(1,096)	(887)
	(435)	1,171
Increase in cash in the period (note 30)	439	(1,509)

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

1. Accounting policies

Accounting basis

The group accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets referred to in note 11.

Basis of consolidation

The accounts have been prepared in accordance with applicable Accounting Standards with the exception of one associated undertaking which has not been consolidated.

Goodwill

From 1st May 1999, goodwill on acquisitions has been capitalised as an intangible asset and is being amortised over its estimated useful life of ten years.

Negative goodwill is also capitalised on the Balance Sheet. Negative goodwill up to the value of non-monetary assets acquired is amortised to the Profit and Loss Account over the period which those assets are recovered, whether through depreciation or sale.

Turnover

Turnover represents the aggregate amount receivable for goods and services rendered together with net commissions receivable.

Depreciation

Depreciation of tangible fixed assets has been calculated to write off the cost or valuation of the assets over their estimated useful lives at the following rates:

Freehold and long leasehold buildings	2% to 20%
Short leasehold buildings	10% to 33%
Plant and machinery	10% to 50%
Motor vehicles	20% to 25%

Depreciation is not charged on land, or on freehold property leased outside the group. Freehold property leased outside the group is classified as an investment asset.

Revaluation reserve

The reserve represents the surplus on revaluation of tangible fixed assets and is being credited back to Profit and Loss Account at the same rate as the underlying assets are depreciated.

The group's policy is to carry all non-investment assets at historical cost, except for tangible fixed assets which are included in the Balance Sheet at a valuation existing on 30th April 2000 when the group implemented FRS15 for the first time.

Stocks and open transactions

Stocks have been valued at the lower of cost or net realisable value.

Pension schemes

Contributions in respect of defined contribution pension schemes are charged to Profit and Loss Account when they become payable. Contributions in respect of defined benefit pension schemes are based on a percentage of pensionable salaries of employees as agreed by the scheme actuary. The cost of providing defined benefit pensions is charged to Profit and Loss Account over the periods benefiting from the services of employees.

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

1. Accounting policies [continued]

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

Foreign currencies

Assets, liabilities and results of overseas operations are converted into sterling at the rate of exchange ruling at the Balance Sheet date with any currency adjustment taken directly to reserves. Other exchange differences are reflected in the results for the year.

Leased assets

Assets obtained under finance leases are capitalised in the Balance Sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to Profit and Loss Account over the period of the lease. Rental payments under operating leases are charged to Profit and Loss Account as incurred.

Rentals receivable on operating leases are credited to Profit and Loss Account as they accrue.

Capital based grants

Capital based grants are credited to deferred income in the year in which they are received. The grants are written back to Profit and Loss Account over the same period as the underlying assets are depreciated.

2. Turnover

	2003 £'000	2002 £'000
Manufacture and merchandising of foodstuffs:		
Home	104,677	105,141
Less Share of joint venture's turnover	-	(4,954)
	104,677	100,187
Overseas	<u>13,101</u>	<u>11,953</u>
	117,778	112,140
Travel and other:		
Home	<u>3,109</u>	<u>3,211</u>
Group turnover	<u>120,887</u>	<u>115,351</u>

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

3. Operating costs

	Continuing operations £'000	2003 Discontinued operations £'000	Total £'000	Continuing operations £'000	2002 Discontinued operations £'000	Total £'000
Turnover	119,164	1,723	120,887	112,992	2,359	115,351
Cost of sales	92,402	1,513	93,915	90,463	2,196	92,659
Net operating expenses						
Distribution	9,358	-	9,358	7,710	-	7,710
Administration	11,190	536	11,726	10,612	936	11,548
	20,548	536	21,084	18,322	936	19,258
Operating profit	6,214	(326)	5,888	4,207	(773)	3,434

4. Operating profit

The operating profit for the year has been arrived at after:

	2003 £'000	2002 £'000
Charging		
Directors' emoluments (see note 5)	1,240	924
Auditors' remuneration - audit	58	57
- non-audit	51	55
Operating lease rentals	1,067	1,063
Depreciation	2,166	2,190
Amortisation of goodwill	520	447
Impairment of goodwill	-	981
Crediting		
Investment grants	58	58
Surplus on disposal of discontinued operations	-	50
Surplus on disposal of tangible fixed assets	37	3
Operating lease rentals from joint venture	-	220

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

5. Directors' emoluments and employment costs

The aggregate amount of directors' emoluments, including profit sharing bonuses and contributions to pension scheme in respect of current service were:

	2003 £'000	2002 £'000
Management remuneration (including benefits in kind)	527	493
Profit sharing bonuses (including contributions to long-term incentive plan)	444	237
Pension scheme contributions	<u>101</u>	<u>94</u>
	1,072	824
Provision for benefits accruing under long-term incentive plan	<u>168</u>	<u>100</u>
	<u>1,240</u>	<u>924</u>

Six directors are accruing benefits as members of the long-term incentive plan. The total payable to directors over the five year term of the plan amounts to £433,193 as at 30th April 2003.

Included in pension scheme contributions are amounts paid to money purchase schemes totalling £5,021 (2002 £4,660).

The number of directors who were members of a money purchase scheme was 6 (2002 - 6) and the number who were members of a defined benefit scheme was 6 (2002 - 6).

The emoluments of the highest paid director were as follows:

	2003 £'000	2002 £'000
Aggregate emoluments, excluding pension contributions	<u>245</u>	<u>170</u>
Payable under long-term incentive plan	<u>105</u>	<u>-</u>
Company pension contributions to a money purchase scheme	<u>1</u>	<u>1</u>

The highest paid director is a member of the Edward Billington & Son Limited Retirement Benefits Scheme, which provides defined benefits, further details of which are given in note 26. The contributions are based on the provision of a pension of a maximum of 2/3rds final salary at the group's normal retirement age.

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

5. Directors' emoluments and employment costs [continued]

	2003 £'000	2002 £'000
Employees		
Total cost of employment:		
Wages and salaries	10,323	9,728
Social security costs	913	888
Other pension costs	<u>680</u>	<u>465</u>
	11,916	11,081
	—	—

	2003 Number	2002 Number
Average number of employees		
Management and administration	134	143
Selling and distribution	51	79
Direct labour and production	<u>259</u>	<u>258</u>
	444	480
	—	—

6. Share of operating results of associates and joint venture

	2003 £'000	2002 £'000
Associates	595	476
Joint venture	—	(65)
	595	411
	—	—

7. Exceptional item

	2003 £'000	2002 £'000
Loss on disposal of fixed assets	334	-
Provision against receipt of deferred consideration	<u>450</u>	—
	784	-
	—	—

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

8. Net interest paid

	2003 £'000	2002 £'000
Group		
Interest paid		
Bank interest	734	655
Loan interest	28	29
Finance leases	128	193
Other interest	<u>6</u>	<u>87</u>
	896	964
Interest received	<u>26</u>	<u>26</u>
	870	938
Associated undertakings		
Interest paid	102	84
Interest received	<u>(8)</u>	<u>(3)</u>
	964	1,019

9. Taxation

	2003 £'000	2002 £'000
9.1 Analysis of charge in year		
Current tax:		
U.K. corporation tax on profits of the year		
Group companies	938	701
Associated undertakings	92	87
Foreign taxation	181	195
Adjustment in respect of previous year	<u>(209)</u>	<u>(232)</u>
Total current tax	1,002	751
Deferred tax:		
Origination and reversal of timing differences	<u>447</u>	<u>95</u>
Tax on profit on ordinary activities	1,449	846

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

9. Taxation [continued]

	2003 £'000	2002 £'000
9.2 Factors affecting the tax charge for the year		
Tax arising on profit on ordinary activities at the standard rate of corporation tax of 30% (2002 30%)	1,420	848
Effects of:		
Expenses not deductible for tax purposes	219	382
Capital allowances in excess of depreciation charge	(493)	(95)
Utilisation of tax losses	(64)	(196)
Other timing differences	(21)	-
Higher tax rates on overseas earnings	45	44
Adjustment in respect of previous year	(209)	(232)
Capital losses not available for relief	<u>105</u>	<u>-</u>
	<u>1,002</u>	<u>751</u>

10. Dividends of Edward Billington & Son Limited

		2003 £'000		2002 £'000
1st preferred ordinary		60		73
2nd preferred ordinary		—		—
Interim – paid 04.04.2003	9.3%	60	8.4%	52
Proposed final – payable 24.10.2003	15.6%	101	13.6%	85
Waivers	—	(2)	—	(2)
	24.9%	159	22.0%	135
Ordinary shares		—		—
Interim – paid 04.04.2003	9.3%	150	8.4%	129
Proposed final – payable 24.10.2003	15.6%	252	13.6%	210
	24.9%	402	22.0%	339
Total dividends		<u>621</u>		<u>547</u>

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

11. Tangible fixed assets

Group Cost or valuation	Land and buildings £'000	Plant £'000	Total £'000
At 30th April 2002	4,168	26,076	30,244
Additions	18	2,812	2,830
Disposals	-	(1,728)	(1,728)
Exchange differences	-	(5)	(5)
At 30th April 2003	4,186	27,155	31,341
At valuation			
30th April 1983	135	320	455
30th April 1991	500	1,500	2,000
30th April 1992	225	-	225
17th August 1995	200	195	395
30th April 1997	250	-	250
30th April 2003	220	-	220
At cost	2,656	25,140	27,796
	4,186	27,155	31,341
Depreciation			
At 30th April 2002	1,157	12,886	14,043
Amounts provided	167	1,999	2,166
Released on disposals	-	(743)	(743)
Exchange differences	-	(1)	(1)
At 30th April 2003	1,324	14,141	15,465
Net book value			
At 30th April 2003	2,862	13,014	15,876
At 30th April 2002	3,011	13,190	16,201

The net book value of land and buildings includes £117,101 (2002 £117,101) of long-leasehold property and £296,313 (2002 £412,369) of short-leasehold property. Land and buildings includes, where applicable, fixed plant which forms an integral part of the building structure.

The directors consider that the valuation attributed to freehold property leased outside the group at 30th April 2003 is a fair market valuation.

Plant includes motor vehicles having a net book value of £648,349 (2002 £545,516).

The net book value of tangible fixed assets includes an amount of £2,830,158 (2002 £3,341,198) in respect of assets held under finance leases, and on which depreciation charged in the year was £249,838 (2002 £350,989).

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

11. Tangible fixed assets [continued]

Company Cost or valuation	Land and buildings £'000	Plant £'000	Total £'000
At 30th April 2002	589	825	1,414
Additions	-	223	223
Disposals	-	(270)	(270)
At 30th April 2003	589	778	1,367
At valuation 30th April 1992	225	-	225
30th April 1997	250	-	250
At cost	114	778	892
	589	778	1,367
Depreciation			
At 30th April 2002	60	293	353
Amounts provided	22	144	166
Released on disposals	-	(193)	(193)
At 30th April 2003	82	244	326
Net book value			
At 30th April 2003	507	534	1,041
At 30th April 2002	529	532	1,061

The net book value of land and buildings includes £61,476 (2002 £78,892) in respect of short leasehold property.

Plant includes motor vehicles having a net book value of £424,920 (2002 £405,627).

The net book value of tangible fixed assets includes an amount of £138,958 (2002 £Nil) in respect of assets held under finance leases, and on which depreciation charged in the year was £30,497 (2002 £27,638).

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

12. Intangible fixed assets

Group Cost	Goodwill £'000	Negative goodwill £'000	Total £'000
At 30th April 2002	7,361	(2,528)	4,833
Additions	6	-	6
Disposals	(1,112)	-	(1,112)
At 30th April 2003	6,255	(2,528)	3,727
Amortisation			
At 30th April 2002	2,630	(897)	1,733
Amounts provided	625	(105)	520
Released on disposals	(1,112)	-	(1,112)
At 30th April 2003	2,143	(1,002)	1,141
Net book value			
At 30th April 2003	4,112	(1,526)	2,586
At 30th April 2002	4,731	(1,631)	3,100

13. Investments

Group Cost	Unquoted £'000	Associated undertakings £'000	Own shares £'000	Total £'000
At 30th April 2002	274	904	159	1,337
Movements in year:				
Associated undertakings				
Share of results	-	398	-	398
Exchange difference	-	(5)	-	(5)
At 30th April 2003	274	1,297	159	1,730

Unquoted

The directors do not consider the valuation of the unquoted investments to be materially less than cost.

Associated undertakings

The share of associated undertakings' results represent the group's share of retained profits in Carrs Billington Agriculture (Sales) Limited and Vitamin Pet Foods Limited.

The results of Sukpak Limited have not been consolidated. The group's share of profit before tax for the year ended 30th September 2002 amounted to £33,185 and shareholders' funds attributable to the group were £31,429 at that date.

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

13. Investments [continued]

Own shares

The investment in own shares represents the original amount subscribed to the Edward Billington & Son Limited – Employee Benefit Trust. At the trust year end of 5th April 2003, the trustees controlled 3,666 3% second preferred shares at current valuation of £15,764, together with other net assets of £289,413.

Company Cost	Unquoted £'000	Associated undertakings £'000	Subsidiary undertakings £'000	Own shares £'000	Total £'000
At 30th April 2002	-	4	1,637	159	1,800
Movement in year:					
Group transfers	-	-	(46)	-	(46)
Amounts written off	-	-	(551)	-	(551)
At 30th April 2003	-	4	1,040	159	1,203

14. Stocks

	2003 £'000	2002 £'000
Group		
Raw materials	1,731	2,601
Work in progress	51	36
Goods for resale	<u>9,848</u>	<u>8,552</u>
	<u>11,630</u>	<u>11,189</u>

There were no stocks held by Edward Billington & Son Limited.

15. Debtors

	Group		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Trade debtors	9,960	9,113	-	-
Prepayments	2,136	2,401	56	112
Other taxes	500	300	-	-
Subsidiary undertakings	-	-	15,658	16,005
Associated undertakings	5,394	3,746	-	-
Other debtors	<u>456</u>	<u>109</u>	<u>114</u>	<u>102</u>
	<u>18,446</u>	<u>15,669</u>	<u>15,828</u>	<u>16,219</u>

Included within prepayments is £1,048,290 in respect of the Carrs Billington Agriculture Pension Scheme (see note 26). This amount will be recovered over a period extending greater than one year.

As detailed in note 28, the associated undertakings debtor includes £1,225,000 which will be repaid after more than one year.

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

16. Creditors – amounts falling due within one year

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Current instalments on loans	515	388	95	-
Bank overdrafts	4,474	5,777	85	45
Bills payable	4,500	4,500	-	-
Trade creditors	11,052	10,145	94	74
Other creditors	923	930	861	805
Accruals and deferred income	2,520	2,660	574	515
Current corporation tax	662	737	-	97
Other taxes and social security costs	230	299	219	240
Finance lease obligations	610	630	51	88
Subsidiary undertakings	-	-	9,281	10,417
Proposed dividend	404	357	404	357
	<u>25,890</u>	<u>26,423</u>	<u>11,664</u>	<u>12,638</u>

17. Creditors – amounts falling due after more than one year

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Bank loans	1,271	1,395	101	-
Other loan	1,225	1,225	-	-
Accruals and deferred income	203	262	-	-
Finance lease obligations	612	1,030	79	195
	<u>3,311</u>	<u>3,912</u>	<u>180</u>	<u>195</u>
Repayment of bank loans:				
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
In one year or less	515	388	95	-
Between one and two years	521	495	101	-
Between two and five years	750	900	-	-
	<u>1,786</u>	<u>1,783</u>	<u>196</u>	<u>-</u>

The outstanding bank loans are secured and are subject to variable interest rates, being between 4.65% and 4.85% at 30th April 2003. Details of the other loan are given in note 28.

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

18. Lease obligations

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Finance leases				
Amounts falling due:				
Within one year	610	630	51	88
Within two to five years	<u>612</u>	<u>1,030</u>	<u>79</u>	<u>195</u>
	1,222	1,660	130	283
	—	—	—	—
	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Leasing commitments				
Leases expiring:				
Within one year	162	79	-	-
Within two to five years	33	408	-	-
After five years	<u>769</u>	<u>642</u>	<u>72</u>	<u>72</u>
	964	1,129	72	72
	—	—	—	—

The leasing commitments relate to the future annual rentals payable under non-cancellable operating leases. These primarily relate to rents payable on land and buildings.

19. Capital commitments

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Contracted for but not provided in the accounts	51	175	Nil	Nil
	—	—	—	—

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

20. Provision for liabilities and charges

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
20.1 - Deferred taxation	750	205	(2)	(155)
20.2 - Minority interests	1,801	1,188	-	-
20.3 - Provision for discontinued operations	<u>16</u>	<u>199</u>	<u>16</u>	<u>199</u>
	<u>2,567</u>	<u>1,592</u>	<u>14</u>	<u>44</u>

20.1 Deferred taxation

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Accelerated capital allowances	987	373	6	-
Other timing differences	<u>(237)</u>	<u>(168)</u>	<u>(8)</u>	<u>(155)</u>
	<u>750</u>	<u>205</u>	<u>(2)</u>	<u>(155)</u>
At 30th April 2002	205			
Profit and loss account charge	447			
Prior year capital allowances adjustment	<u>98</u>			
At 30th April 2003	<u>750</u>			

20.2 Minority interests

Profit and loss account

The amount shown represents the profits for the year, after taxation, attributable to the investment in subsidiary undertakings held by minorities. The effects on the reported results of the group are summarised below:

	Attributable to group £'000	Minority interest £'000	Consolidated £'000
Profit before taxation	3,957	778	4,735
Taxation	<u>1,298</u>	<u>151</u>	<u>1,449</u>
Profit after taxation	<u>2,659</u>	<u>627</u>	<u>3,286</u>

Balance sheet

The amount shown represents the minority interest in the share capital and reserves of subsidiary undertakings at 30th April 2003.

20.3 Provision for discontinued activities

From the provision at 30th April 2002, £183,000 has been released as the expenditure has now been incurred. The balance of £16,000 is considered to be adequate to cover the outstanding costs which will be incurred during the next financial year.

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

21. Capital of Edward Billington & Son Limited

	Authorised		Allotted, called up and fully paid	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
3.16% convertible first preferred ordinary shares of £1 each	342	342	241	342
3% second preferred ordinary shares of £1 each (non-voting)	1,250	1,250	647	622
Ordinary shares of £1 each	<u>2,408</u>	<u>2,408</u>	<u>1,617</u>	<u>1,541</u>
	<u>4,000</u>	<u>4,000</u>	<u>2,505</u>	<u>2,505</u>

On 4th November 2002, 101,000 3.16% first preferred ordinary shares of £1 were converted. In accordance with the Articles of Association for every four 3.16% first preferred ordinary shares, three were converted to ordinary shares and one to 3% second preferred ordinary shares.

22. Reserves

Group	Share premium account £'000	Capital reserves £'000	Revaluation reserve £'000	Profit and loss account £'000
At 30th April 2002	87	2,132	180	11,936
Movements in year:				
Profit for the year	-	-	-	2,038
Revaluation reserve transfer	-	-	(3)	3
Exchange differences	-	-	-	13
At 30th April 2003	<u>87</u>	<u>2,132</u>	<u>177</u>	<u>13,990</u>
Company				
At 30th April 2002	87	-	110	3,506
Movements in year:				
Profit for the year	-	-	-	9
Revaluation reserve transfer	-	-	(3)	3
At 30th April 2003	<u>87</u>	<u>-</u>	<u>107</u>	<u>3,518</u>

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

23. Reconciliation of movements in shareholders' funds

	2003 £'000	2002 £'000
Profit for the financial year	2,659	1,488
Dividends	<u>621</u>	<u>547</u>
	2,038	941
Other movements	<u>13</u>	(42)
Net increase in shareholders' funds	2,051	899
Opening shareholders' funds	<u>16,840</u>	<u>15,941</u>
Closing shareholders' funds	<u>18,891</u>	<u>16,840</u>

24. Profit of Edward Billington & Son Limited

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent undertaking is not presented as part of these accounts. The consolidated profit for the year includes £630,190 (2002 £713,611) which is dealt with in the accounts of Edward Billington & Son Limited.

25. Contingent liabilities

Edward Billington & Son Limited has guaranteed the individual bank and loan facilities of certain subsidiary undertakings.

The group has, in the normal course of trade, given indemnities to third parties and entered into forward currency contracts. Other than amounts properly provided in the accounts no additional liabilities are expected to arise from these transactions.

26. Pensions

The group operates a number of pension schemes to provide retirement benefits for its employees.

The Edward Billington & Son Limited Retirement Benefits Scheme is a defined benefit pension scheme. Contributions are paid to the scheme in accordance with the recommendations of an independent qualified actuary.

Carrs Billington Agriculture (Operations) Limited, one of the group's subsidiaries, is the principal employer of the Carrs Billington Agriculture Pension Scheme, another defined benefit scheme. The scheme commenced on 6th April 1997 and resulted primarily from the merger of the AF plc Retirement Benefits Plan ("RBP") and the AF plc Staff Pension Scheme ("SPS").

The assets of the schemes are administered by trustees, held separate from those of the group and are invested with financial institutions.

The accounts are prepared in accordance with the requirements of SSAP24.

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

26. Pensions [continued]

26.1 SSAP 24

Edward Billington & Son Limited Retirement Benefits Scheme

The group's income and expenditure charge for the year was £411,000 (2002 £279,900).

Actuarial valuations are carried out triennially for funding purposes, using the Attained Age method, the last being dated 1st September 2001. The most significant assumptions were an expected return on investments of 7% p.a. before retirement and average salary growth of 5% p.a. up to normal retirement age. After retirement, an investment return of 6% p.a. was applied, with Limited Price Indexation ("LPI") pension increases of 3% p.a. The results of that valuation show the scheme's assets at £7,356,700 representing 80% of the value of the benefits that had accrued to in-service and deferred pensioner members.

The trustees agreed that contributions from November 2002 would increase from 24% to 34.1% of annual pensionable salary. This comprises of a standard employers contribution rate of 17.2% and a further 16.9% contribution required to eliminate the scheme deficit. This has resulted primarily from the poor performance of equity markets and the cost of providing a guaranteed 5% annual increase to pensions earned prior to 1st February 2000.

The scheme was closed to new entrants on 1st February 2001 and, under the method used to calculate pension costs in accordance with FRS 17, the cost as a percentage of covered pensionable payroll will tend to increase as the average age of the membership increases.

Following the closure of the Edward Billington & Son Limited Retirement Benefits Scheme to new entrants, the company introduced a defined contribution pension plan to provide retirement benefits for new employees and those wishing to exercise a transfer from the defined benefit scheme.

The total cost of the group's defined contribution schemes for the year ended 30th April 2003 was £179,000 (2002 £146,000).

Carrs Billington Agriculture Pension Scheme

The group's income and expenditure charge for the year was £70,000 (8 months to 30th April 2002 £32,000).

The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method for members with RBP benefits and SPS contracted-out benefits and the attained age method for members with SPS contract-out benefits.

The most recent valuation of the scheme's assets was carried out at 1st January 2002 and amounted to £17,184,000. The valuation of the assets of the Carrs Billington Agriculture Pension Scheme represent on average 119% of the benefits that had accrued to members after allowing for expected future increases in earnings. The assumptions used in arriving at the valuations were a real rate of return over salary increases on funds invested of 1.5% and a rate of increase in present and future pensions of 2.5%. The group Balance Sheet includes a prepayment in respect of the scheme of £1,048,290 (2002 £1,000,000).

The group also operates a defined contribution pension plan for those employees not in the Carrs Billington Agriculture Pension Scheme. The cost of contributions into the plan during the year ended 30th April 2003 was £20,000 (2002 £8,000).

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

26. Pensions [continued]

26.2 FRS17

The group will not be adopting FRS17 earlier than required.

Under the transitional arrangements of FRS17, independent qualified actuaries updated the actuarial valuations to 30th April 2003. As required by FRS17, the defined benefit liabilities have been measured using the projected unit method and both the assets and liabilities include the value of pensions in payment, which are secured with insured annuities.

The following table sets out the key FRS17 assumptions used for the schemes. The table also sets out as at 30th April 2003 the fair value of the assets, a breakdown of the assets into the main asset classes, the present value of the FRS17 liabilities and the surplus or deficit of assets over the FRS17 liabilities (which equals the gross pension liability).

Also disclosed are the amounts that would have been included in the Profit and Loss Account and Statement of Total Recognised Gains and Losses had FRS17 been adopted in full.

Edward Billington & Son Limited Retirement Benefits Scheme

Assumptions	2003	2002
Price inflation	2.50%	2.5%
Discount rate	5.36%	5.9%
Pension increases (LPI)	2.50%	2.5%
Salary growth	4.00%	4.0%

Asset distribution and expected return

Components	2003		2002	
	Expected Return	Fair value £'000	Expected return	Fair value £'000
Equities	7.4%	3,801	8.2%	5,861
Bonds	4.8%	1,791	5.1%	974
Cash	4.4%	361	5.0%	274
Property	6.7%	228	6.7%	143
Insured pensions and AVC's	4.8%	1,522	5.9%	1,524

Balance sheet

Total fair value of assets	7,703	8,776
Present value of liabilities	(12,972)	(11,308)
Gross pension deficit	(5,269)	(2,532)
Deferred tax	<u>1,581</u>	<u>760</u>
Net pension deficit	<u>(3,688)</u>	<u>(1,772)</u>

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

26. Pensions [continued]

The following figures only illustrate the amounts that would be included in the performance statements had FRS17 been adopted in full during the year.

	2003 £'000
Analysis of the potential amount charged to operating profit	
Current service cost	227
Past service cost	—
Total operating charge	227
	—
Analysis of the potential amount charged to other finance costs	
Expected return on pension scheme assets	659
Interest on pension scheme liabilities	(668)
Net charge	(9)
	—
Analysis of potential amount recognised in statement of total recognised gains and losses (STRGL)	
Actual return less expected return on pension scheme assets	(1,931)
Changes in assumptions underlying the present value of the scheme liabilities	(980)
Actuarial loss recognised in STRGL	(2,911)
	—
Movements in deficit during the year	
Deficit in scheme at beginning of the year	(2,532)
Movement in year:	
Current service cost	(227)
Contributions	410
Other finance costs	(9)
Actuarial loss	(2,911)
Deficit in scheme at end of the year	(5,269)
	—

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

26. Pensions [continued]

History of experience gains and losses

	2003 £'000
Difference between the expected and actual return on the scheme assets:	(1,931)
Percentage of scheme assets	(25%)
Experience gains and losses on scheme liabilities:	Nil
Percentage of the present value of the scheme liabilities	Nil
Total amount recognised in statement of total recognised gains and losses:	(2,911)
Percentage of the present value of the scheme liabilities	(22%)

Carrs Billington Agriculture Pension Scheme

Assumptions	2003	2002
Price inflation	2.50%	2.5%
Discount rate	5.36%	5.9%
Pension increases (LPI)	2.50%	2.6%
Salary growth	3.50%	3.6%

Asset distribution and expected return

Components	2003		2002	
	Expected return	Fair value £'000	Expected return	Fair value £'000
Equities	6.9%	9,400	7.0%	9,800
Bonds	4.4%	3,301	4.5%	4,900
Cash	4.4%	<u>152</u>	4.5%	<u>500</u>
Total fair value of assets		12,853		15,200
Present value of liabilities		<u>(17,481)</u>		<u>(14,800)</u>
Gross pension deficit		(4,628)		400
Deferred tax		<u>1,388</u>		<u>(120)</u>
Net pension deficit		<u>(3,240)</u>		<u>280</u>

The deficit stated in respect of the Carrs Billington Agriculture Pension Scheme is before making any adjustment for the minority interest. The group's share of the obligations will therefore amount to 51% of the actuarial deficit.

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

26. Pensions [continued]

The following figures only illustrate the amounts that would be included in the performance statements had FRS17 been adopted in full during the year.

	2003 £'000
Analysis of the potential amount charged to operating profit	
Current service cost	102
Past service cost	—
Total operating charge	102
	—
Analysis of the potential amount credited to other finance income	
Expected return on pension scheme assets	917
Interest on pension scheme liabilities	(859)
Net return	58
	—
Analysis of potential amount recognised in statement of total recognised gains and losses (STRGL)	
Actual return less expected return on pension scheme assets	(2,834)
Changes in assumptions underlying the present value of the scheme liabilities	(2,310)
Actuarial loss recognised in STRGL	(5,144)
	—
Movements in (deficit)/surplus during the year	
Surplus in scheme at beginning of the year	400
Movement in year:	
Current service cost	(102)
Contributions	160
Other finance income	58
Actuarial loss	(5,144)
Deficit in scheme at end of the year	(4,628)
	—
History of experience gains and losses	
Difference between the expected and actual return on the scheme assets:	(2,834)
Percentage of scheme assets	(22%)
Experience gains and losses on scheme liabilities:	Nil
Percentage of the present value of the scheme liabilities	Nil
Total amount recognised in statement of total recognised gains and losses:	(5,144)
Percentage of the present value of the scheme liabilities	(29%)

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

27. Operating companies

Subsidiary undertakings	Country of Incorporation	Percentage of ordinary shares held by the group
Agricultural division		
*Billington Agriculture Holdings Limited	England	100
Carrs Billington Agriculture (Operations) Limited	England	51
Criddle & Co. Limited	England	100
Foods division		
*Billington Foods Limited	England	100
The Billington Food Group Limited	England	100
English Provender Company Limited	England	100
Classic Couverture Limited	England	100
Billington's Cereal Research & Development Limited	England	100
+Wholesome Sweeteners Inc.	U.S.A.	55
Frozen Foods division		
*Billington Frozen Foods Limited	England	100
Carousel Meat Packers Limited	England	100
Travel division		
*Billington Travel Limited	England	100
The Owners' Company (Private Villas) Limited	England	100
Other		
*Flagship Consultants Limited	England	100
Associated undertakings		
+Carrs Billington Agriculture (Sales) Limited	England	49
*+Vitamin Pet Foods Limited	Barbados	30
~+Sukpak Limited	Mauritius	30
Trade investments		
+Image on Food Limited	England	20
+Mrs. Lam's Delicious Food Company Limited	England	10
*+Central Tin Containers Limited	England	20

*Edward Billington & Son Limited holds the shares of these companies.

+Indicates companies audited other than by Mitchell Charlesworth.

~The accounts of this company have not been consolidated.

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

28. Related party transactions

Loans from shareholders amounted to £86,443 at 30th April 2003 (2002 £116,723) on which interest of £3,370 (2002 £4,342) has been paid.

Rhopode Limited owns 492,283 ordinary shares and 134,978 second preferred ordinary shares in this company. During the year Edward Billington & Son Limited borrowed a maximum of £72,000 from Rhopode Limited, with an outstanding balance at 30th April 2003 of £45,000 (2002 £220,500). Interest charged in the year was £269 (2002 £12,360).

During the year the group made sales of £36,145,884 (2002 £27,880,345) to Carrs Billington Agriculture (Sales) Limited, an associated company. At 30th April 2003 debtors included £5,394,056 (2002 £3,696,077) due from Carrs Billington Agriculture (Sales) Limited, which includes a loan of £1,225,000. As shown in note 17, Carrs Milling Industries plc, the parent undertaking of Carrs Billington Agriculture (Sales) Limited has loaned £1,225,000 to the group. These loans are interest free and there are no formal terms agreed for their repayment.

Included in other debtors is £146,061 due from Carrs Milling Industries plc in respect of consortium relief for prior years.

The group has a 30% interest in Sukpak Limited. During the year, the group was charged £401,509 (2002 £430,710) in packing charges by Sukpak Limited.

During the year, Wholesome Sweeteners Inc. was charged £287,781 for the manufacture and packing of sugars by Imperial Sugar Inc., an investing party. Office accommodation and certain personnel were provided free of charge by Imperial Sugar Inc.

29. Reconciliation of operating profit to operating cash flows

	2003 £'000	2002 £'000
Operating profit	5,888	3,434
Depreciation of tangible fixed assets	2,166	2,190
Amortisation of intangible fixed assets	520	447
Impairment of intangible fixed assets	-	981
Surplus on disposal of tangible fixed assets	(37)	(3)
Amounts written off investment	-	121
Earnings before interest, depreciation and amortisation	8,537	7,170
Surplus on disposal of discontinued operations	-	(50)
Dividends from associates	8	8
Stocks	(785)	(2,695)
Debtors	(2,766)	3,770
Creditors	945	(2,229)
Investment grant transfer	(58)	(58)
Net cash inflow from operating activities	5,881	5,916

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Notes to the Accounts

30. Analysis of net debt

	At 30th April 2002 £'000	Exchange movements £'000	Cash flow £'000	Other non- cash changes £'000	At 30th April 2003 £'000
Cash at bank and in hand	1,271	(16)	(864)	-	391
Bank overdrafts	(5,777)	-	1,303	-	(4,474)
	(4,506)	(16)	439	-	(4,083)
Bills of exchange	(4,500)	-	-	-	(4,500)
Debt due within one year	(388)	-	368	(495)	(515)
Debt due after one year	(1,395)	-	(371)	495	(1,271)
Finance leases	(1,660)	-	1,096	(658)	(1,222)
Total	(12,449)	(16)	1,532	(658)	(11,591)

31. Reconciliation of net cash flow to movement in net debt

	2003 £'000	2002 £'000
Increase in cash in the period	439	(1,509)
Cash outflow from decrease in debt and lease financing	435	(1,155)
Bills of exchange	-	(16)
Translation difference (see note 30)	(16)	-
Movement in net debt in the period	858	(2,680)
Net debt at 30th April 2002	(12,449)	(9,769)
Net debt at 30th April 2003	(11,591)	(12,449)

32. Disposal of business

	2003 £'000
Net assets disposed of	
Tangible fixed assets	884
Stock	115
	999
Satisfied by:	
Cash	115
Consideration due	550
	665
Loss on disposal	334
Provision against deferred consideration	450
Exceptional item	784

EDWARD BILLINGTON & SON LIMITED AND SUBSIDIARIES

Statement of total recognised gains and losses for the year ended 30th April 2003

	2003 £'000	2002 £'000
Profit for the year before dividend	2,659	1,488
Exchange adjustments and other movements	<u>13</u>	<u>(40)</u>
Total recognised gains and losses relating to the year	2,672	1,448
Prior year adjustment	<u>-</u>	<u>541</u>
Total recognised gains and losses recognised since last annual report	<u>2,672</u>	<u>1,989</u>

Note of historical cost profits and losses for the year ended 30th April 2003

	2003 £'000	2002 £'000
Reported profit on ordinary activities before taxation	4,735	2,826
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>3</u>	<u>2</u>
Historical cost profit on ordinary activities before taxation	<u>4,738</u>	<u>2,828</u>
Historical cost profit for the year retained after taxation, minority interests and dividends	<u>2,041</u>	<u>943</u>