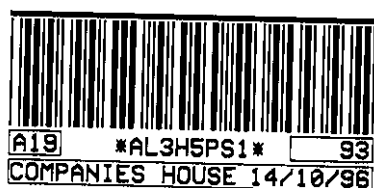


G.C. BIRCHALL (HOLDINGS) LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 1996



ASHWORTH MOULDS & CO.

Chartered Accountants

11 Nicholas Street, Burnley, Lancs. BB11 2AL



G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

COMPANY INFORMATION

DIRECTORS: Mr. Colin G. Birchall Chairman and  
Managing Director

Mrs. Christine Birchall

SECRETARY: Mr. Colin G. Birchall

COMPANY NUMBER: 345838 (England and Wales)

REGISTERED OFFICE: 11, Nicholas Street,  
Burnley.  
Lancashire.  
BB11 2AL

AUDITORS: Ashworth Moulds & Co.  
11, Nicholas Street,  
Burnley,  
Lancashire.  
BB11 2AL

BANKERS: Barclays Bank plc,  
72, St. James Street,  
Burnley.  
Lancashire.  
BB11 1NH

G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

<u>CONTENTS</u>	<u>PAGE</u>
DIRECTORS' REPORT	1
AUDITORS' REPORT	2
CONSOLIDATED PROFIT AND LOSS ACCOUNT	3
CONSOLIDATED BALANCE SHEET	4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 14

# G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

## DIRECTORS' REPORT

The directors present their report and the annual accounts for the year ended 31st March, 1996.

## PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company is a non-trading company holding all the issued share capital of G.C. Birchall Ltd., which is engaged in the wholesaling of food.

## RESULTS AND DIVIDENDS

The results for the year are shown on pages 3 and 5.

## FIXED ASSETS

The significant changes in fixed assets during the year are explained in Note 8 and 9 to the financial statements.

## DIRECTORS' INTERESTS

The directors of the company and their beneficial interests in the shares of the company are set out below.

	<u>1996</u>	<u>1995</u>
Mr. Colin G. Birchall	88	88
Mrs. Christine Birchall	72	72

In accordance with the company's Articles of Association, Mr. Colin G. Birchall retires by rotation and, being eligible, offers himself for re-election.

## AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Ashworth Moulds & Co. be re-appointed as auditors of the company will be put to the Annual General Meeting.

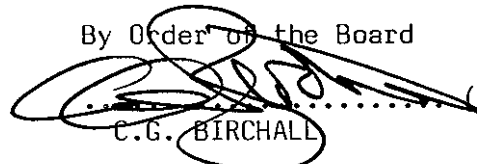
## DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements 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 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board

 (Director)  
C.G. BIRCHALL

Dated 4th October, 1996

G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

AUDITORS' REPORT TO THE SHAREHOLDERS OF G.C. BIRCHALL (HOLDINGS) LIMITED  
AND ITS SUBSIDIARY

We have audited the financial statements on pages 3 to 14, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 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 mis-statements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company and group affairs as at 31st March, 1996 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ashworth Moulds & Co*

ASHWORTH MOULDS & CO

Chartered Accountants  
and Registered Auditor

11, Nicholas Street, Burnley

4th October, 1996

G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH, 1996

	NOTES	1996	1995
<u>TURNOVER</u>	2.	2,269,564	1,877,606
Cost of Sales		(1,788,390)	(1,476,461)
<u>GROSS PROFIT</u>		481,174	401,145
Distribution Costs		(228,138)	(182,524)
Administrative Expenses		(141,998)	(130,334)
<u>OPERATING PROFIT</u>	3.	111,038	88,287
Investment income	4.	2,500	-
Other interest receivable and similar income	4.	9	6
Interest payable and similar charges	5.	(12,404)	(9,957)
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		101,143	78,336
Tax on profit on ordinary activities	6.	(25,533)	(19,830)
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		75,610	58,506
Dividends	7.	(30,000)	(20,000)
<u>RETAINED PROFIT FOR THE YEAR</u>	16.	£ 45,610	£ 38,506

The profit and loss account has been prepared on the basis that all operations are continuing operations

The group has no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 7 to 14 form an integral part of these accounts.

G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 1996

	NOTES	1996	1995
<u>FIXED ASSETS</u>			
Tangible Assets	8.	132,296	89,659
Investments	9.	3,513	3,513
		<hr/>	<hr/>
		135,809	93,172
<u>CURRENT ASSETS</u>			
Stocks	10.	221,670	232,009
Debtors	11.	340,105	294,247
Cash at bank and in hand		3,075	2,485
		<hr/>	<hr/>
		564,850	528,741
<u>CREDITORS: Amounts falling due</u> within one year	12.	(385,211)	(360,405)
<u>NET CURRENT ASSETS</u>		<hr/>	<hr/>
		179,639	168,336
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<hr/>	<hr/>
		315,448	261,508
<u>CREDITORS: Amounts falling due</u> after more than one year	13.	(38,936)	(31,367)
<u>PROVISIONS FOR LIABILITIES</u> <u>AND CHARGES</u>	14.	(10,372)	(9,611)
		<hr/>	<hr/>
<u>NET ASSETS</u>		<hr/>	<hr/>
		£ 266,140	£ 220,530
<u>CAPITAL AND RESERVES</u>		<hr/>	<hr/>
Called up Share Capital	15.	160	160
Profit and Loss Account	16.	265,980	220,370
		<hr/>	<hr/>
<u>SHAREHOLDERS' FUNDS</u> - <u>EQUITY INTERESTS</u>	17.	£ 266,140	£ 220,530
		<hr/>	<hr/>

The notes on pages 7 to 14 form an integral part of these accounts.

The financial statements were approved by the Board on

4th October, 1996

.....

.....  ..... (Director)  
MRS. CHRISTINE BIRCHALL

G.C. BIRCHALL (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH, 1996

	1996	1995
	<hr/>	<hr/>
Dividends Received (Net)	30,000	20,000
Dividends Paid	30,000	20,000
	<hr/>	<hr/>
	-	-
Retained Profit brought forward	6,091	6,091
	<hr/>	<hr/>
<u>RETAINED PROFIT CARRIED FORWARD</u>	<u>£ 6,091</u>	<u>£ 6,091</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

The company has no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 7 to 14 form an integral part of these accounts.



G.C. BIRCHALL (HOLDINGS) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 1996

	NOTES	1996	1995
<u>INVESTMENT IN SUBSIDIARY COMPANY</u>		4,702	4,702
<u>CURRENT ASSETS</u>			
Amount due from Subsidiary Company	1,548		1,548
Cash at bank and in hand	1		1
	1,549		1,549
<u>CURRENT LIABILITIES</u>	-		-
		1,549	1,549
		£ 6,251	£ 6,251
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	15.	160	160
Profit and Loss Account	16.	6,091	6,091
	17.	£ 6,251	£ 6,251

The notes on pages 7 to 14 form an integral part of these accounts.

The financial statements were approved by the Board on

4th October, 1996

.....

.....  ..... (Director)  
MRS. CHRISTINE BIRCHALL

G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

YEAR ENDED 31ST MARCH, 1996

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Accounting Convention

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

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:-

Alterations to leasehold property	20% straight line basis
Plant and machinery	20% reducing balance basis
Fixtures and fittings	20% reducing balance basis
Motor Vehicles	25% reducing balance basis

1.4 Leasing and Hire Purchase Commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the company's depreciation policies. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis over the life of the agreement.

Rentals payable under operating leases are charged against income in the year in which they are incurred.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred on disposal.

1.7 Pensions

Pension costs are charged to the profit and loss account in the year in which they are incurred.

1.8 Deferred Taxation

Deferred taxation is provided in full at appropriate rates on all timing differences using the liability method.

1.9 Grant

The grant is written off over 5 years, being the same period as the leasehold alterations to which it relates.

G.S. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 1996

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3. OPERATING PROFIT

1996

1995

Operating profit is stated after charging:-

Depreciation on tangible fixed assets	25,099	24,971
Operating lease charges	720	720
Auditors' remuneration	3,200	3,000

4. INCOME FROM INVESTMENTS, OTHER INTEREST RECEIVABLE  
AND SIMILAR INCOME

Income from unlisted investments	2,500	-
Bank Interest	9	6
	<u>£ 2,509</u>	<u>£ 6</u>

5. INTEREST PAYABLE

On bank loans and overdrafts	8,589	6,362
On loans not wholly repayable within five years	1,989	2,100
Lease finance charges and hire purchase interest	1,826	1,495
	<u>£ 12,404</u>	<u>£ 9,957</u>

6. TAXATION

U.K. Current year taxation -

U.K. Corporation Tax at 25% (1995 25%)	22,358	20,136
Tax Credits on franked investment income	500	-
Deferred Tax	2,675	(306)
	<u>£ 25,533</u>	<u>£ 19,830</u>

7. DIVIDEND

Ordinary shares - paid	<u>£ 30,000</u>	<u>£ 20,000</u>
------------------------	-----------------	-----------------

G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 1996

8.	<u>TANGIBLE FIXED ASSETS</u>	<u>Alterations to Leasehold Property</u>	<u>Plant and Machinery</u>	<u>Fixtures and Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
	<u>COST</u>					
	At 1st April, 1995	20,572	34,166	43,055	104,982	202,775
	Additions	-	8,868	30,387	32,595	71,850
	Disposals	-	-	-	(14,159)	(14,159)
	At 31st March, 1996	£ 20,572	43,034	73,442	123,418	260,466
	<u>DEPRECIATION</u>					
	At 1st April, 1995	4,484	21,374	25,698	61,560	113,116
	On disposals	-	-	-	(10,046)	(10,046)
	Charge for the year	4,022	2,732	3,874	14,472	25,100
	At 31st March, 1996	£ 8,506	24,106	29,572	65,986	128,170
	<u>NET BOOK VALUE</u>					
	At 31st March, 1996	£ 12,066	18,928	43,870	57,432	132,296
	At 31st March, 1995	£ 16,088	12,792	17,357	43,422	89,659

Included above are assets held under finance leases or hire purchase contracts as follows:-

	<u>Plant &amp; Machinery</u>	<u>Fixtures &amp; Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
Net Book Values				
At 31st March, 1996	£ -	31,733	17,658	49,391
Depreciation charge for the year				
31st March, 1996	£ -	840	4,994	5,834

9. FIXED ASSET INVESTMENTS

(a) <u>THE GROUP</u>	<u>1996</u>	<u>1995</u>
Unlisted investments at cost	£ 3,513	£ 3,513
(b) <u>THE COMPANY</u>		
Shares at cost in subsidiary	£ 4,702	£ 4,702

G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 1996

	<u>1996</u>	<u>1995</u>
10. <u>STOCKS - THE GROUP</u>		
Finished goods and goods for resale	£ 221,670	£ 232,009
	<u>                    </u>	<u>                    </u>
11. <u>DEBTORS</u>		
(a) <u>THE GROUP</u>		
Trade debtors	313,148	278,230
ACT recoverable	7,500	5,000
Other debtors	1,925	928
Prepayments and accrued income	17,532	10,089
	<u>                    </u>	<u>                    </u>
	£ 340,105	£ 294,247
	<u>                    </u>	<u>                    </u>
(b) <u>THE COMPANY</u>		
Due from subsidiary	£ 1,548	£ 1,548
	<u>                    </u>	<u>                    </u>
12. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - THE GROUP</u>		
Bank loans and overdrafts	134,683	108,719
Net obligations under finance lease and hire purchase contracts	14,957	4,975
Trade creditors	144,401	184,094
Corporation tax	29,858	25,136
Other taxes and social security costs	7,119	4,422
Directors current accounts	23,568	18,621
Other creditors	3,212	-
Accruals and deferred income	27,413	14,438
	<u>                    </u>	<u>                    </u>
	£ 385,211	£ 360,405
	<u>                    </u>	<u>                    </u>

The bank loan and overdraft are secured by a debenture incorporating a fixed and floating charge over all the company's assets.

The aggregate amount of secured borrowing, including amounts due under finance leases and hire purchase agreements, is £168,730 (1995 £125,215).

G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 1996

13.	<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	<u>1996</u>	<u>1995</u>
	Bank Loans	-	7,368
	Pension Company Loan	19,846	19,846
	Net obligations under finance leases and hire purchase agreements	19,090	4,153
		<hr/>	<hr/>
		£ 38,936	£ 31,367
		<hr/>	<hr/>
	<u>Analysis of Loans</u>		
	Not wholly repayable within five years by instalments	19,846	19,846
	Wholly repayable within five years	8,697	16,614
		<hr/>	<hr/>
		28,543	36,460
	Included in current liabilities	(8,697)	(9,246)
		<hr/>	<hr/>
		£ 19,846	£ 27,214
		<hr/>	<hr/>
	<u>Loan maturity analysis</u>		
	Between one and two years	-	7,368
	In five years or more	19,846	19,846
		<hr/>	<hr/>
	<u>Net obligations under finance leases and hire purchase contracts</u>		
	Repayable within one year	17,876	6,319
	Repayable between one and five years	22,478	5,140
		<hr/>	<hr/>
		40,354	11,459
	Finance charges and interest allocated to future accounting periods	(6,307)	(2,331)
		<hr/>	<hr/>
		34,047	9,128
	Included in liabilities falling due within one year	(14,957)	(4,975)
		<hr/>	<hr/>
		£ 19,090	£ 4,153
		<hr/>	<hr/>

Finance leases and hire purchase contracts are secured on the assets to which they relate.

G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 1996

14.	<u>PROVISION FOR LIABILITIES AND CHARGES</u>	<u>1996</u>	<u>1995</u>
	Deferred taxation	4,630	1,955
	Grant Received	5,742	7,656
		<hr/>	<hr/>
		£ 10,372	£ 9,611
		<hr/>	<hr/>

Deferred tax is provided at 25% (1995 25%) analysed over the following timing differences:-

	<u>Fully Provided</u>	
Accelerated capital allowances	£ 4,630	£ 1,955
	<hr/>	<hr/>

Movements on the provision for deferred taxation are:

At 1st April, 1995	1,955
Transferred from profit and loss account	2,675
	<hr/>

At 31st March, 1996	£ 4,630
	<hr/>

15.	<u>SHARE CAPITAL</u>		
	Authorised:		
	5,000 Ordinary Shares of £1 each	£ 5,000	£ 5,000
		<hr/>	<hr/>
	Allotted, issued and fully paid:		
	160 Ordinary Shares of £1 each	£ 160	£ 160
		<hr/>	<hr/>

16. STATEMENT OF MOVEMENT ON RESERVES

<u>THE GROUP</u>	<u>Profit and Loss Account</u>
Balance at 1st April, 1995	220,370
Retained profit for year	45,610
	<hr/>
Balance at 31st March, 1996	£ 265,980
	<hr/>
<u>THE COMPANY</u>	
Balance at 1st April, 1995	6,091
Retained profit for the year	-
	<hr/>
Balance at 31st March, 1996	£ 6,091
	<hr/>

G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 1996

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
<u>THE GROUP</u>		
Profit for the financial year	75,610	58,506
Dividends	(30,000)	(20,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	45,610	38,506
Opening shareholders' funds	220,530	182,024
	<hr/>	<hr/>
Closing shareholders' funds	£ 266,140	£ 220,530
	<hr/>	<hr/>
<u>THE COMPANY</u>		
Dividends Received	30,000	20,000
Dividends Paid	30,000	20,000
	<hr/>	<hr/>
	-	-
Opening Shareholders Funds	6,251	6,251
	<hr/>	<hr/>
Closing Shareholders' Funds	£ 6,251	£ 6,251
	<hr/>	<hr/>

18. CAPITAL COMMITMENTS

At 31st March, 1996 the company had capital commitments as follows:-

Contracted for but not provided in the financial statements	-	-
Authorised but not contracted for	-	12,000
	<hr/>	<hr/>

19. DIRECTORS' EMOLUMENTS

Emoluments for services as directors	43,278	40,939
Other emoluments (including pension contributions)	6,615	5,992
	<hr/>	<hr/>
Emoluments disclosed above (excluding pension contributions) include amounts paid to:-		
The chairman and the highest paid director	23,390	22,130
	<hr/>	<hr/>
Other directors' emoluments (excluding contributions) were in the following ranges:-		
£ 5,001 - £10,000	1	2
£10,001 - £15,000	1	-
	<hr/>	<hr/>



G.C. BIRCHALL (HOLDINGS) LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 1996

20. EMPLOYEES

Number of employees:-	<u>1996</u>	<u>1995</u>
	<u>No.</u>	<u>No.</u>
The average weekly number of employees (including directors) during the year was	21	16
	<u>    </u>	<u>    </u>
Employment costs:-		
Wages and salaries	188,280	167,085
Social security costs	13,597	13,472
Other pension costs	7,215	6,592
	<u>    </u>	<u>    </u>
	£ 209,092	£ 187,149
	<u>    </u>	<u>    </u>