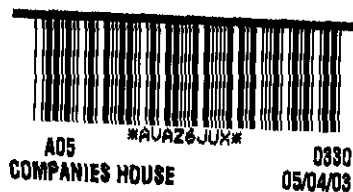

PERCY INGLE BAKERIES LIMITED

ABBREVIATED ACCOUNTS

**FOR THE YEAR ENDED
30 JUNE 2002**



PERCY INGLE BAKERIES LIMITED

COMPANY INFORMATION

DIRECTORS	P Ingle Esq Mrs L F Ingle D P Ingle Esq J Darby Esq P D Ingle Esq
SECRETARY	M Ingle
COMPANY NUMBER	584236
REGISTERED OFFICE	210 Church Road London E10 7JQ
AUDITORS	Barnes Roffe Chartered Accountants Registered Auditors Leytonstone House London E11 1HR

PERCY INGLE BAKERIES LIMITED

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PERCY INGLE BAKERIES LIMITED

DIRECTORS' REPORT For the year ended 30 June 2002

The directors present their report and the financial statements for the year ended 30 June 2002.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial 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 financial statements, 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company's principal activity during the year was that of producing and retailing bakery and confectionery goods.

The directors are pleased with the results for the year and hope that the results will further improve in the forthcoming year.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £28,485 (2001 - Loss £7,680).

The directors do not recommend payment of a dividend for the current year (2001 - £Nil).

DIRECTORS

The directors who served during the year were:

P Ingle Esq
Mrs L F Ingle
D P Ingle Esq
J Darby Esq
P D Ingle Esq

None of the directors had any beneficial interest in the company's issued share capital.

Messrs P Ingle and D P Ingle are directors of, and have shareholdings of 25% and 75%, respectively, in the issued share capital of the parent company, Percy Ingle Holdings Limited, which holds 100% of the issued share capital of Percy Ingle Bakeries Limited.

EMPLOYEES

The company's policy is to provide equal opportunities for employees. It has always been the policy of the company to encourage, wherever practical, the employment, training and advancement of disabled persons.

PERCY INGLE BAKERIES LIMITED

DIRECTORS' REPORT
For the year ended 30 June 2002

AUDITORS

The auditors, Barnes Roffe, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 6 March 2003 and signed on its behalf.

M Ingle
Secretary

M. Ingle.

PERCY INGLE BAKERIES LIMITED

INDEPENDENT AUDITORS' REPORT TO PERCY INGLE BAKERIES LIMITED
Under section 247B of the Companies Act 1985

We have examined the abbreviated accounts of Percy Ingle Bakeries Limited for the year ended 30 June 2002 set out on pages 4 to 14, together with the financial statements of the company for the year ended 30 June 2002 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with those provisions.

Barnes Roffe

Chartered Accountants
Registered Auditors
Leytonstone House
London E11 1HR



18th March 2003

PERCY INGLE BAKERIES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2002

	Note	2002 £	2001 £
GROSS PROFIT		5,174,116	4,908,954
Selling and distribution costs		(2,462,592)	(2,368,581)
Administrative expenses		(2,687,434)	(2,563,011)
OPERATING PROFIT/(LOSS)	2	24,090	(22,638)
Interest receivable and similar income	5	3	1,177
Interest payable and similar charges	6	(7,811)	(2,495)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		16,282	(23,956)
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	7	(44,767)	16,276
LOSS FOR THE FINANCIAL YEAR		(28,485)	(7,680)
RETAINED PROFIT BROUGHT FORWARD		475,881	483,561
RETAINED PROFIT CARRIED FORWARD		£ 447,396	£ 475,881

All amounts relate to continuing operations.

There were no recognised gains and losses for 2002 or 2001 other than those included in the profit and loss account.

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

PERCY INGLE BAKERIES LIMITED

ABBREVIATED BALANCE SHEET
As at 30 June 2002

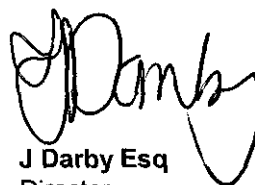
	Note	2002	2001
		£	£
FIXED ASSETS			
Tangible assets	9	1,257,850	998,555
CURRENT ASSETS			
Stocks	8	75,000	75,000
Debtors	10	222,095	223,236
Cash at bank and in hand		3,207	3,647
		<u>300,302</u>	<u>301,883</u>
CREDITORS: amounts falling due within one year	11	<u>(962,028)</u>	<u>(721,024)</u>
NET CURRENT LIABILITIES		<u>(661,726)</u>	<u>(419,141)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>596,124</u>	<u>579,414</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	(127,928)	(82,733)
NET ASSETS		<u>£ 468,196</u>	<u>£ 496,681</u>
CAPITAL AND RESERVES			
Called up share capital	13	5,632	5,632
Share premium account		15,168	15,168
Profit and loss account		447,396	475,881
SHAREHOLDERS' FUNDS - All equity	14	<u>£ 468,196</u>	<u>£ 496,681</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved by the board on **6 March 2003** and signed on its behalf.

D P Ingle Esq
Director



J Darby Esq
Director



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

PERCY INGLE BAKERIES LIMITED

ABBREVIATED CASH FLOW STATEMENT
For the year ended 30 June 2002

	Note	2002 £	2001 £
Net cash flow from operating activities	15	343,049	123,374
Returns on investments and servicing of finance	16	(7,808)	(1,318)
Taxation		(2,905)	-
Capital expenditure and financial investment	16	(421,747)	(333,843)
DECREASE IN CASH IN THE PERIOD		£ (89,411)	£ (211,787)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 17)
For the year ended 30 June 2002

	2002 £	2001 £
Decrease in cash in the period	(89,411)	(211,787)
MOVEMENT IN NET DEBT IN THE PERIOD	(89,411)	(211,787)
Net (debt)/funds at 1 July 2001	(52,654)	159,133
NET DEBT AT 30 JUNE 2002	£ (142,065)	£ (52,654)

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

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2002

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of value added tax 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following annual bases:

Leasehold buildings	-	over the lease term
Plant and machinery	-	10% straight line
Motor vehicles	-	25% reducing balance
Fixtures, fittings and equipment	-	10% straight line

With effect from 1 July 2001 the depreciation charge for plant and machinery and fixtures, fittings and equipment was changed from a 20% reducing balance basis to a 10% straight line basis. The revised bases are more representative of the assets actual useful lives. The effect of changing the depreciation method in the year is to reduce depreciation charged in the accounts by £97,338.

1.4 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks by the directors.

1.6 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

Change of accounting policy:

In accordance with the requirements of Financial Reporting Standard 19, Deferred Tax, the company has changed its accounting policy and deferred tax is provided for in full. The previous policy was to provide deferred tax only to the extent that, in the opinion of the directors, there was reasonable probability that a liability or asset would crystallise in the near future. A prior year adjustment has not been made as full provision was made for deferred tax at 30 June 2001.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

1.8 Lease of asset

The company receives rental income on assets held for use in operating leases. It recognises rents on a straight line basis and accounts for costs over the life of the lease.

PERCY INGLE BAKERIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2002

2. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging/(crediting):

	2002 £	2001 £
Depreciation of tangible fixed assets:		
- owned by the company	162,776	253,497
Auditors' remuneration	10,000	9,000
Operating lease rentals:		
- plant and machinery	1,775	3,234
- other operating leases	380,180	366,546
Profit on disposal of fixed assets	(324)	(16,453)
	<u> </u>	<u> </u>

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2002 £	2001 £
Wages and salaries	3,526,365	3,397,810
Social security costs	249,329	233,216
Other pension costs	30,623	37,427
	<u>£ 3,806,317</u>	<u>£ 3,668,453</u>

The average monthly number of employees, including directors, during the year was as follows:

	2002	2001
Office and management	9	13
Production	63	81
Distribution	234	274
	<u>306</u>	<u>368</u>

4. DIRECTORS' REMUNERATION

	2002 £	2001 £
Aggregate emoluments	£ 99,211	£ 62,547
	<u> </u>	<u> </u>
Company contributions to money purchase pension schemes	£ 6,902	£ 11,926
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to 2 directors (2001 - 2) in respect of money purchase pension schemes.

PERCY INGLE BAKERIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2002

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2002 £	2001 £
Other interest receivable	£ 3	£ 1,177

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
On bank overdraft	£ 7,811	£ 2,495

PERCY INGLE BAKERIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2002

7. TAXATION

	2002 £	2001 £
Analysis of tax charge in year		
Current tax (see note below)		
UK corporation tax on profits of the year	-	3,333
Adjustments in respect of prior periods	(428)	-
Total current tax	<u>(428)</u>	<u>3,333</u>
Deferred tax		
Origination and reversal of timing differences	45,195	(19,609)
Total deferred tax (see note 12)	<u>45,195</u>	<u>(19,609)</u>
Tax on profit on ordinary activities	<u>£ 44,767</u>	<u>£ (16,276)</u>

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2002 £	2001 £
Profit/(loss) on ordinary activities before tax	<u>16,282</u>	<u>(23,956)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001 - 20%)	4,885	(4,791)
Effects of:		
Expenses not deductible for tax purposes	3,789	1,958
Capital allowances for period in excess of depreciation	(29,475)	4,696
Group loss relief surrendered	20,801	-
Capital gains	-	1,042
Adjustments to tax charge in respect of prior periods	(428)	428
Current tax charge for year (see note above)	<u>£ (428)</u>	<u>£ 3,333</u>

There were no factors that may affect future tax charges.

8. STOCKS

	2002 £	2001 £
Raw materials	<u>£ 75,000</u>	<u>£ 75,000</u>

PERCY INGLE BAKERIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2002

9. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 July 2001	277,347	1,205,700	322,321	3,405,663	5,211,031
Additions	-	127,733	67,868	235,246	430,847
Disposals	-	-	(74,047)	-	(74,047)
At 30 June 2002	<u>277,347</u>	<u>1,333,433</u>	<u>316,142</u>	<u>3,640,909</u>	<u>5,567,831</u>
Depreciation					
At 1 July 2001	233,796	1,121,282	234,635	2,622,763	4,212,476
Charge for the year	10,432	16,993	31,359	103,992	162,776
On disposals	-	-	(65,271)	-	(65,271)
At 30 June 2002	<u>244,228</u>	<u>1,138,275</u>	<u>200,723</u>	<u>2,726,755</u>	<u>4,309,981</u>
Net book value					
At 30 June 2002	<u>£ 33,119</u>	<u>£ 195,158</u>	<u>£ 115,419</u>	<u>£ 914,154</u>	<u>£ 1,257,850</u>
At 30 June 2001	<u>£ 43,551</u>	<u>£ 84,418</u>	<u>£ 87,686</u>	<u>£ 782,900</u>	<u>£ 998,555</u>

10. DEBTORS

	2002 £	2001 £
Due within one year		
Trade debtors	17,429	14,700
Amounts owed by group undertakings	19,482	19,482
Other debtors	84,303	83,304
Prepayments and accrued income	100,881	105,750
	<u>£ 222,095</u>	<u>£ 223,236</u>

PERCY INGLE BAKERIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2002

11. CREDITORS:
Amounts falling due within one year

	2002	2001
	£	£
Bank overdraft	145,272	56,301
Trade creditors	352,563	352,046
Amounts owed to group undertakings	289,465	146,525
Corporation tax	-	3,333
Social security and other taxes	59,020	47,594
Other creditors	57,208	61,018
Accruals and deferred income	58,500	54,207
	<u>£ 962,028</u>	<u>£ 721,024</u>

The bank overdraft facility is secured against certain freehold properties owned by Percy Ingle Services Limited, a fellow subsidiary company.

12. DEFERRED TAXATION

	2002	2001
	£	£
At 1 July 2001	82,733	102,342
Charge for the year	45,195	-
Released during the year	-	(19,609)
	<u>£ 127,928</u>	<u>£ 82,733</u>

The provision for deferred taxation is made up as follows:

	2002	2001
	£	£
Accelerated capital allowances	127,928	82,733
	<u>£ 127,928</u>	<u>£ 82,733</u>

13. SHARE CAPITAL

	2002	2001
	£	£
Authorised		
7,000 Ordinary shares of £1 each	<u>£ 7,000</u>	<u>£ 7,000</u>
Allotted, called up and fully paid		
5,632 Ordinary shares of £1 each	<u>£ 5,632</u>	<u>£ 5,632</u>

PERCY INGLE BAKERIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2002

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Loss for the year	(28,485)	(7,680)
	<u>(28,485)</u>	<u>(7,680)</u>
Opening shareholders' funds	496,681	504,361
Closing shareholders' funds	<u>£ 468,196</u>	<u>£ 496,681</u>

15. NET CASH FLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit/(loss)	24,090	(22,638)
Depreciation of tangible fixed assets	162,776	253,497
Profit on disposal of tangible fixed assets	(324)	(16,453)
Decrease/(increase) in debtors	1,141	(42,303)
Decrease in amounts owed by group undertakings	-	414
Increase in creditors	12,426	18,142
Increase/(decrease) in amounts owed to group undertakings	142,940	(67,285)
NET CASH INFLOW FROM OPERATIONS	<u>£ 343,049</u>	<u>£ 123,374</u>

16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2002 £	2001 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	3	1,177
Interest paid	(7,811)	(2,495)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>£ (7,808)</u>	<u>£ (1,318)</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(430,847)	(348,843)
Sale of tangible fixed assets	9,100	15,000
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	<u>£ (421,747)</u>	<u>£ (333,843)</u>

PERCY INGLE BAKERIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2002

17. ANALYSIS OF CHANGES IN NET DEBT

	1 July 2001 £	Cash flow £	Other non-cash changes £	30 June 2002 £
Cash at bank and in hand	3,647	(440)	-	3,207
Bank overdraft	(56,301)	(88,971)	-	(145,272)
NET DEBT	£ (52,654)	£ (89,411)	£ -	£ (142,065)

18. OPERATING LEASE COMMITMENTS

At 30 June 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within 1 year	41,420	26,625	-	-
Between 2 and 5 years	26,900	42,975	3,550	3,550
After more than 5 years	259,125	271,878	-	-

19. CAPITAL COMMITMENTS

At 30 June 2002 the company had capital commitments as follows:

	2002	2001
	£	£
Contracted for but not provided in these financial statements	£ 41,421	£ -

20. RELATED PARTY TRANSACTIONS

Transactions with group companies are not disclosed by virtue of the exemption claimed under Financial Reporting Standard 8. The group publishes consolidated accounts.

21. TRANSACTIONS WITH DIRECTORS

During the previous year the company made an interest free unsecured loan of £40,500 to DPI Properties Limited, a company controlled by D P Ingle Esq, a director. The balance outstanding at the year end was £40,500.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Percy Ingle Bakeries Limited regards Percy Ingle Holdings Limited as its ultimate controlling parent company, and D P Ingle Esq as its ultimate controlling party.