

REGISTRAR

Registered Number: 889809

ANGLO PORTUGUESE CORK CO LIMITED

ANNUAL REPORT AND ACCOUNTS

31 OCTOBER 1997



MYERS CLARK

CHARTERED ACCOUNTANTS

ANGLO PORTUGUESE CORK CO LIMITED

ANNUAL REPORT AND ACCOUNTS

31 OCTOBER 1997

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OFFICERS AND PROFESSIONAL ADVISERS

Directors C. H. Neilson
E. Neilson
G. C. Neilson

Secretary G. C. Neilson

Registered Office 1 Station Parade
Beaconsfield
Buckinghamshire
HP9 2PB

Auditors Myers Clark
Chartered Accountants
Woodford House
Woodford Road
Watford
Herts.
WD1 1DL

Bankers National Westminster Bank Plc
1 Penn Road
Beaconsfield
Buckinghamshire
HP9 2PU

Solicitors B. P. Collins & Co
Collins House
32 - 38 Station Road
Gerrards Cross
Bucks S49 8EL

DIRECTORS' REPORT

The Directors present their annual report together with the audited accounts of the Company for the year ended 31 October 1997.

Principal Activity

The Company's principal activity during the year continued to be that of the importation of cork.

Directors and Their Interests

The present membership of the Board is set out on page 1. All Directors served throughout the year.

The Directors at the year end and their beneficial interests in the share capital of the company were as follows:

	<u>Preferred Ordinary Shares</u>		<u>Ordinary Shares</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
C. H. Neilson	250	250	-	-
E. Neilson	250	250	-	-
G. C. Neilson	-	-	1500	1500

Statement of Directors' Responsibilities

Company law requires the Directors to prepare accounts 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 the period.

In preparing those accounts, the Directors are required to select suitable accounting policies and then apply them consistently, make judgments and estimates that are reasonable and prudent and 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 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 accounts 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.

Auditors

In accordance with Section 385(2) of Companies Act 1985 a resolution will be submitted at the forthcoming annual general meeting that Myers Clark, Chartered Accountants, be re-appointed as auditors.


Special Exemptions Applicable to Small Companies

The Directors have taken advantage, in preparation of their report, of special exemptions applicable to small companies.

1 Station Parade
Beaconsfield
Buckinghamshire
HP9 2PB

24 February 1998

By Order of the Board



G. C. Neilson
Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF

ANGLO PORTUGUESE CORK CO LIMITED

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 2 the Company's Directors are responsible for the preparation of accounts. 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

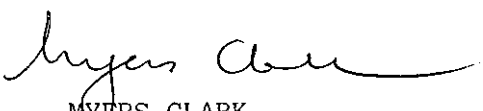
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the 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 the Company's affairs as at 31 October 1997 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Woodford House
Woodford Road
Watford
Herts
WD1 1DL


MYERS CLARK
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITOR

24 February 1998

ANGLO PORTUGUESE CORK CO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31 OCTOBER 1997

	Note	1997	1996
Turnover	2	260,438	427,872
Cost of sales		214,349	353,291
Gross profit		46,089	74,581
Administrative expenses	81,033	85,740	
Other operating income	(39,000)	(39,000)	
		42,033	46,740
Operating profit		4,056	27,841
Interest receivable and similar income		1,671	1,321
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>	3	5,727	29,162
Taxation on profit on ordinary activities	4	1,598	7,238
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		4,129	21,924
Dividends		40,000	-
<u>LOSS FOR THE FINANCIAL YEAR</u>		(35,871)	21,924
Retained profit brought forward		50,504	28,580
<u>RETAINED PROFIT CARRIED FORWARD</u>		£14,633	£50,504

All of the Company's operations are classed as continuing.

The Company had no recognised gains or losses other than the profit for the year.

The notes on pages 6 to 10 form part of these accounts.

ANGLO PORTUGUESE CORK CO LIMITED

BALANCE SHEET

AT 31 OCTOBER 1997

	Note	1997	1996
<u>TANGIBLE FIXED ASSETS</u>	5	5,516	6,435
<u>CURRENT ASSETS</u>			
Stocks	6	20,424	-
Debtors	7	38,953	139,933
Cash at bank and in hand		39,491	14,333
		<hr/> 98,868	<hr/> 154,266
<u>CREDITORS: amounts falling due within one year</u>	8	87,751	108,197
<u>NET CURRENT ASSETS</u>		<hr/> 11,117	<hr/> 46,069
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<hr/> £16,633	<hr/> £52,504
<u>CAPITAL AND RESERVES</u>			
Called up share capital	9	2,000	2,000
Profit and loss account		14,633	50,504
<u>SHAREHOLDERS' FUNDS</u>	11	<hr/> £16,633	<hr/> £52,504

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 24 February 1998



G. C. NEILSON - DIRECTOR

The notes on pages 6 to 10 form part of these accounts.

NOTES TO THE ACCOUNTS

AT 31 OCTOBER 1997

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's accounts.

Accounting Convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Fixtures and fittings	- 10% reducing balance
Motor vehicles	- 25% reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Raw materials	- purchase cost, including overheads incurred in bringing the stock to its present location and condition, on a first-in, first-out basis.
Work in progress and finished goods	- cost of direct materials and labour plus attributable overheads based on normal level of activity

Net realisable value is based on the estimated selling price less further costs expected to be incurred to completion and disposal.

Deferred Taxation

Deferred taxation is provided at the current tax rate on the differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. No provision is made where these timing differences are not expected to give rise to a tax liability.

2. TURNOVER

Turnover comprises the invoiced value of goods and services supplied by the company exclusive of VAT and trade discounts. The turnover is attributable to one class of business.

NOTES TO THE ACCOUNTS (continued)AT 31 OCTOBER 19973. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	<u>1997</u>	<u>1996</u>
	£	£
Depreciation	1,062	1,314
Directors' emoluments	38,490	37,291
Operating lease rentals - land and buildings	8,000	8,000
Auditors' remuneration	2,650	2,650

DIRECTORS' EMOLUMENTS

Executive remuneration (including pension contributions)	38,490	37,291
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	<u>£38,490</u>	<u>£37,291</u>
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4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>1997</u>	<u>1996</u>
U.K. corporation tax at 24%/21% (1996 - 25%/24%) based on the profit for the year	1,650	7,400
Over provision in previous years	1,650 (52)	7,400 (162)
	<u>£1,598</u>	<u>£7,238</u>

NOTES TO THE ACCOUNTS (continued)

AT 31 OCTOBER 1997

5. TANGIBLE FIXED ASSETS

	<u>Plant and Machinery etc.</u>
<u>Cost</u>	
At 1 November 1996	11,275
Additions	143
	<hr/>
At 31 October 1997	11,418
<u>Depreciation</u>	
At 1 November 1996	4,840
Provision for the year	1,062
	<hr/>
At 31 October 1997	5,902
<u>Net Book Value</u>	
At 31 October 1997	£ 5,516
	<hr/>
At 31 October 1996	£ 6,435
	<hr/>

6. STOCKS

	<u>1997</u>	<u>1996</u>
Stocks	£20,424	-
	<hr/>	<hr/>

7. DEBTORS

	<u>1997</u>	<u>1996</u>
Trade debtors	18,025	98,586
Amounts owed by group undertakings and undertakings in which the Company has a participating interest	6,825	36,950
Other debtors	14,103	4,397
	<hr/>	<hr/>
	£38,953	£139,933
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS (continued)AT 31 OCTOBER 1997

<u>8. CREDITORS</u>	<u>1997</u>	<u>1996</u>
<u>Amounts Falling Due Within One Year:</u>		
Bank loans and overdrafts	-	15,738
Trade creditors	25,438	65,131
Other creditors	44,550	3,047
Current corporation tax	10,165	7,400
Other taxes and social security costs	7,598	16,881
	<u>£87,751</u>	<u>£108,197</u>

<u>9. SHARE CAPITAL</u>	<u>1997</u>	<u>1996</u>
<u>Authorised:</u>		
1,500 Ordinary shares of £1 each	1,500	1,500
500 Preferred ordinary shares of £1 each	500	500
	<u>£2,000</u>	<u>£2,000</u>

<u>Allotted, Called Up and Fully Paid:</u>		
1,500 Ordinary shares of £1 each	1,500	1,500
500 Preferred ordinary shares of £1 each	500	500
	<u>£2,000</u>	<u>£2,000</u>

10. COMMITMENTS UNDER OPERATING LEASES

At 31 October 1997 the Company had annual commitments under non-cancellable operating leases as follows:

	<u>1997</u>	<u>Land and Buildings 1996</u>
Operating leases which expire:		
- in the second to fifth years inclusive	8,000	8,000
	<u>£8,000</u>	<u>£8,000</u>

NOTES TO THE ACCOUNTS (continued)

AT 31 OCTOBER 1997

11. SHAREHOLDERS' FUNDS

<u>Reconciliation of movements in shareholders' funds</u>	<u>1997</u>	<u>1996</u>
Profit for the financial year	4,129	21,924
Dividends	40,000	-
	<hr/>	<hr/>
Net reduction in shareholders' funds	(35,871)	21,924
Opening shareholders' funds	52,504	30,580
	<hr/>	<hr/>
Closing shareholders' funds	£ 16,633	£ 52,504
	<hr/>	<hr/>

Shareholders' funds consist entirely of equity interests.

12. TRANSACTIONS WITH RELATED PARTIES

CML Components Limited

The shareholders of the company have a controlling interest in CML Components Limited and the balance owed by this company at 31st October 1997 was £6,825 (1996 - £36,950).

During the year the company received a management charge of £39,000 (1996 - £39,000) from CML Components Limited.

Loans from Directors

Included in other creditors are loans due to the Directors as follows :

G. C. Neilson	30,000
Mr and Mrs C. H. Neilson	10,000
	<hr/>
	£40,000
	<hr/>

The loans are interest free and have no fixed terms for repayment.