

REGISTRAR

Registered no. 929440

ALLEN MARMOT (EUROPEAN) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

MAURICE CHARLES & PARTNERS
CHARTERED ACCOUNTANTS
LONDON & KENT



ALLEN MARMOT (EUROPEAN) LIMITED

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ALLEN MARMOT (EUROPEAN) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

P. S. Marmot
A. A. Marmot
D. Cfas
S. M. Cfas
L. J. Katz
K. Lovold

SECRETARY:

J.A. Marmot

REGISTERED OFFICE:

46 - 47 Chancery Lane
London
WC2A 1BA

REGISTERED NUMBER:

929440

AUDITORS:

Maurice Charles & Partners
46-47 Chancery Lane
London
WC2A 1BA

ALLEN MARMOT (EUROPEAN) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

The directors present their report and the financial statements of the company for the year ended 31 March 2000.

Principal Activity

The principal activity of the company throughout the year was that of import and export agents and merchants.

Review of Business

The results for the year and the financial position at the year end were below expectations but this has now been remedied by the directors.

Future Developments

The directors aim to maintain the management policies which have resulted in the company's growth in recent years.

Results and Dividends

The results of the year's trading and the financial position of the company are shown in the annexed accounts.

The company's profit for the year, after taxation, amounted to £25,012 (1999 - £122,161).

The directors recommend that a final dividend of 351 pence per share be paid on the ordinary shares in issue amounting to £24,500 (1999 - £-).

Directors

The present directors are as shown on page 1. All served on the board throughout the year.

The company's Articles of Association do not require directors to retire by rotation.

Directors and Directors' Interests

The directors who served during the year, together with their interests (including family interests) in the Ordinary £1 shares in the company at the beginning of the year, were as follows:

	31 March 2000	1 April 1999
P. S. Marmot	5682	5349
A. A. Marmot	-	-
D. Cfas	232	2449
S. M. Cfas	1	1
L. J. Katz	1	1
K. Lovold	-	-

No director had any disclosable interest in the redeemable shares in the company.

ALLEN MARMOT (EUROPEAN) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000(CONT)

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:

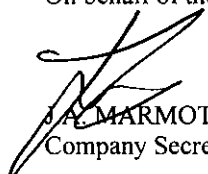
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Auditors

The auditors, Maurice Charles & Partners, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

On behalf of the board.



J.A. MARMOT
Company Secretary

14th June 2000

ALLEN MARMOT (EUROPEAN) LIMITED

AUDITORS' REPORT TO ALLEN MARMOT (EUROPEAN) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 15 together with the financial statements of the company for the year ended 31 March 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

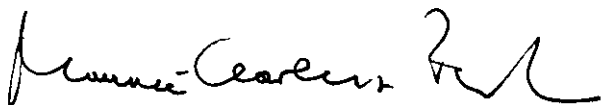
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of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

Basis of opinion

We have carried out the procedures we considered 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 15 are properly prepared in accordance with that provision.



MAURICE CHARLES & PARTNERS
Registered Auditors &
Chartered Accountants

46-47 Chancery Lane
London WC2A 1BA

14th June 2000.

ALLEN MARMOT (EUROPEAN) LIMITED

ABBREVIATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000

	Note	2000 £	1999 £
GROSS PROFIT		916,382	986,066
Net operating expenses	2	875,211	812,436
OPERATING PROFIT	3	41,171	173,630
Profit on sale of fixed assets		4,423	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		45,594	173,630
Other interest receivable and similar income		1,897	7,249
Interest payable and similar charges	6	(17,256)	(22,998)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		30,235	157,881
Tax on profit on ordinary activities	7	5,223	35,720
PROFIT FOR THE FINANCIAL YEAR		25,012	122,161
Dividends	8	24,500	-
RETAINED PROFIT FOR THE FINANCIAL YEAR	17	512	122,161

The company's turnover and expenses all relate to continuing operations.

The annexed notes form part of these abbreviated accounts.

ALLEN MARMOT (EUROPEAN) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2000

	2000 £	1999 £
Profit for the financial year	25,012	122,161
Total recognised gains and losses relating to the year	25,012	122,161
Prior year adjustment	33,494	-
Total gains and losses recognised since the last financial statements	58,506	122,161

ALLEN MARMOT (EUROPEAN) LIMITED

ABBREVIATED BALANCE SHEET AT 31 MARCH 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	9	98,848	92,392
CURRENT ASSETS			
Stocks	10	1,063,680	901,642
Debtors	11	1,286,031	906,171
Cash at bank and in hand		9,092	151,246
		<u>2,358,803</u>	<u>1,959,059</u>
CREDITORS			
Amounts falling due within one year	12	<u>1,912,532</u>	<u>1,508,081</u>
NET CURRENT ASSETS		446,271	450,978
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>545,119</u>	<u>543,370</u>
CREDITORS			
Amounts falling due after more than one year	13	(12,672)	(11,436)
NET ASSETS		<u>532,447</u>	<u>531,934</u>
CAPITAL AND RESERVES			
Called up share capital	14	10,000	10,000
Share premium account	15	247,478	247,478
Other reserves	16	2,522	2,522
Profit and loss account	17	272,447	271,934
SHAREHOLDERS' FUNDS	18	<u>532,447</u>	<u>531,934</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These financial statements were approved by the board on 14th June 2000

ON BEHALF OF THE BOARD



.....
P. S. MARMOT - DIRECTOR

The annexed notes form part of these financial statements.

ALLEN MARMOT (EUROPEAN) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

	Note	2000 £	1999 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	24	(66,973)	3,306
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	1,897	7,249	
Interest paid	(14,529)	(19,523)	
Interest element of finance lease rental payments	(2,727)	(3,475)	
		(15,359)	(15,749)
TAXATION		(25,526)	(36,073)
CAPITAL EXPENDITURE			
Payments to acquire fixed assets	(27,206)	(8,629)	
Receipts from sales of fixed assets	19,250	-	
		(7,956)	(8,629)
		(115,814)	(57,145)
FINANCING			
Issue of shares	-	250,000	
New bank loans	-	17,950	
Repayments of loans	8,585	-	
Purchase of the company's own shares	-	(199,367)	
Capital element of finance lease repayments	(17,601)	(22,830)	
		(9,016)	45,753
DECREASE IN CASH	25	(124,830)	(11,392)

The annexed notes form part of these financial statements.

ALLEN MARMOT (EUROPEAN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

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

The effect of events in relation to the year ended 31 March 2000 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 March 2000 and of the results for the year ended on that date.

Depreciation

Depreciation is provided at rates to write off the cost less estimated residual value of each asset on a reducing balance basis, over its estimated useful life as follows:

Improvements to premises	- 20% per annum
Plant and machinery	- 33% per annum
Fixtures and fittings	- 10% per annum
Motor vehicles	- 25% per annum

Stocks

There has been a change in accounting policy this year with a corresponding prior year adjustment to alter last year's figures to include production overheads in the closing stock figures, in line with the Statement of Standard Accounting Practice on stock; SSAP 9.

Stocks have been valued at the lower of cost and net realisable value, after making due allowance for slow and obsolete stock and after including overheads associated with bringing the stocks to their present location and condition.

Deferred Taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

Foreign Exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at a rate of exchange ruling at the date of the transaction.

Balances at the year end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date or at contracted forward rates of exchange as applicable.

Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

ALLEN MARMOT (EUROPEAN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000 (CONT)

Pension Costs

The company operates a defined contribution scheme, and the contributions are charged against profits as they are paid.

2. NET OPERATING EXPENSES

	2000 £	1999 £
Distribution costs	375,633	309,343
Administrative expenses	565,491	557,041
Other operating income	(65,913)	(53,948)
	<u>875,211</u>	<u>812,436</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2000 £	1999 £
Directors' emoluments	145,000	161,182
Directors' pension contributions in respect of money purchase benefits	55,000	53,000
Total directors' emoluments	<u>200,000</u>	<u>214,182</u>
Hire of other assets - operating leases	13,750	15,995
Depreciation and amortisation of owned assets	8,223	10,670
Depreciation of assets held under finance leases and hire purchase	23,019	18,208
Auditors' remuneration	4,600	5,250
Auditors' remuneration - non-audit services	850	5,800
Foreign currency exchange gain	4,022	(10,633)
	<u></u>	<u></u>

4. DIRECTORS' REMUNERATION

There are 2 directors to whom retirement benefits are accruing under money purchase pension schemes in respect of qualifying services (1999 - 2).

ALLEN MARMOT (EUROPEAN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000 (CONT)

5. STAFF COSTS

The average number of persons employed by the company, including directors, during the year was as follows:

	2000 Number	1999 Number
Management and administration	15	14

The aggregate payroll costs of these persons were as follows:

	2000 £	1999 £
Wages and salaries	319,114	327,175
Social security	35,887	35,876
Other pension costs	64,000	62,750
	<u>419,001</u>	<u>425,801</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Bank loans and overdrafts	1,588	2,015
Other loans	12,941	17,508
Finance charges payable - finance leases and hire purchase	2,727	3,475
	<u>17,256</u>	<u>22,998</u>

7. TAXATION ON ORDINARY ACTIVITIES

	2000 £	1999 £
Current year		
Corporation tax at 20% (1999 21%)	5,651	34,857
Prior year		
Corporation tax under(over) provided	(428)	863
	<u>5,223</u>	<u>35,720</u>

ALLEN MARMOT (EUROPEAN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000 (CONT)

8. DIVIDENDS

	2000 £	1999 £
On ordinary shares :		
Final dividend proposed	24,500	-

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Improve- ments to premises £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 1999	34,572	8,046	36,100	149,993	228,711
Additions	5,515	-	671	46,165	52,351
Disposals	-	-	-	(42,035)	(42,035)
At 31 March 2000	40,087	8,046	36,771	154,123	239,027
Depreciation					
At 1 April 1999	22,813	4,067	20,351	88,914	136,145
Charge for the year	5,700	796	1,642	23,104	31,242
Elimination on disposals	-	-	-	(27,208)	(27,208)
At 31 March 2000	28,513	4,863	21,993	84,810	140,179
Net book value					
At 31 March 2000	11,574	3,183	14,778	69,313	98,848
At 31 March 1999	11,758	3,978	15,578	61,078	92,392

Included in the total net book value of tangible fixed assets held at 31 March 2000 was £69,056 in respect of assets held under finance leases and hire purchase contracts.

10. STOCKS

	2000 £	1999 £
Finished goods and goods for resale	1,063,680	901,642

ALLEN MARMOT (EUROPEAN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000 (CONT)

11. DEBTORS

Receivable within one year:

	2000 £	1999 £
Trade debtors	1,257,491	880,517
Other debtors	1,150	250
Prepayments and accrued income	27,390	25,404
	<u>1,286,031</u>	<u>906,171</u>

12. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdrafts	8,585	8,263
Obligations under finance leases and hire purchase contracts	10,131	12,712
Trade creditors	1,342,912	1,100,148
Social security and other taxes	110,916	84,892
Other creditors	10,001	52,508
Corporation tax payable	14,555	34,857
Accruals and deferred income	390,932	214,701
Proposed dividends payable	24,500	-
	<u>1,912,532</u>	<u>1,508,081</u>

13. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	2000 £	1999 £
Bank loans	798	9,687
Obligations under finance leases and hire purchase contracts	11,874	1,749
	<u>12,672</u>	<u>11,436</u>

Obligations under finance leases and hire purchase contracts are secured by related assets.

ALLEN MARMOT (EUROPEAN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000 (CONT)

Analysis of debt maturity

	2000 £	1999 £
Amounts payable:		
Within one year or on demand	8,585	8,263
Between one and two years	798	9,112
Between two and five years	-	575
In five years or more	-	-
	<u>9,383</u>	<u>17,950</u>

Obligations under finance leases and hire purchase contracts

	2000 £	1999 £
Amounts payable:		
Within two to five years	11,874	1,749
After five years	-	-
	<u>11,874</u>	<u>1,749</u>

14. SHARE CAPITAL

	2000 £	1999 £
Authorised 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid 6,978 Ordinary shares of £1 each 3,022 redeemable shares of £1 each	<u>6,978</u> <u>3,022</u> <u>10,000</u>	<u>6,978</u> <u>3,022</u> <u>10,000</u>

15. SHARE PREMIUM ACCOUNT

	2000 £
As at 1 April 1999 and 31 March 2000	<u>247,478</u>

16. OTHER RESERVES

	2000 £
Capital redemption reserve As at 1 April 1999 and 31 March 2000	<u>2,522</u>

ALLEN MARMOT (EUROPEAN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000 (CONT)

17. PROFIT AND LOSS ACCOUNT

	2000 £
At 1 April 1999	
- as previously reported	238,441
- prior year adjustment (see below)	33,494
	<hr/> 271,935
As restated	271,935
Retained profit for the financial year	512
	<hr/>
At 31 March 2000	<u>272,447</u>

The comparative figures in the financial statements have been restated to include the prior year adjustments which arose due to a change in accounting policy for stock and its associated tax consequences. This has the effect of increasing last year's profit before tax by £42,398.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	25,012	122,161
Dividends	(24,500)	-
	<hr/> 512	<hr/> 122,161
New share capital subscribed	-	250,000
Purchase of own shares	-	(199,367)
	<hr/> 513	<hr/> 172,794
Net addition to shareholders' funds	513	172,794
Opening shareholders' funds	531,934	359,140
	<hr/>	<hr/>
Closing shareholders' funds	<u>532,447</u>	<u>531,934</u>

19. LEASING COMMITMENTS

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as detailed below:

	Land and buildings £	2000 Other £	Land and buildings £	1999 Other £
Operating leases which expire:				
Within one year	-	850	-	850
After more than five years	13,750	-	13,750	-
	<hr/> 13,750	<hr/> 850	<hr/> 13,750	<hr/> 850
	<u>13,750</u>	<u>850</u>	<u>13,750</u>	<u>850</u>

ALLEN MARMOT (EUROPEAN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000 (CONT)

20. CONTINGENT LIABILITIES

The company has entered into forward contracts for the purchase of foreign currencies at the Balance Sheet date amounting to £668,427. (1999 £517,917).

The company has also indemnified its bankers in respect of guarantees totalling £100,000 (1999 £100,000).

21. PENSION COSTS

The company operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The charge for the year was £64,000 (1999 - £62,750).

22. TRANSACTIONS WITH DIRECTORS

At the Balance Sheet date P.S. Marmot was owed £5,601 (1999 - £17,601) and D. Cfas was owed £4,400 (1999 - £4,400) by the company.

23. RELATED PARTIES

The company purchased supplies of £2,635,799 (1999 - £2,885,389) during the period, and at the Balance Sheet date had a balance of £493,932 (1999 - £650,560) owing to Norfolier AS & Co., a company that owns 35% of the company's share capital, and is therefore a presumed related party. The goods were supplied at open market values.

24. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	41,171	173,630
Depreciation charge	31,242	28,878
Increase in stocks	(162,038)	(118,247)
(Increase)/decrease in debtors	(379,860)	211,558
Increase/(decrease) in creditors	402,512	(292,513)
Net cash inflow/outflow from operating activities	(66,973)	3,306

25. ANALYSIS OF NET (DEBT)/FUNDS

	1999 £	Cash flow £	Other changes £	2000 £
Cash at bank and in hand	151,246	(142,154)	-	9,092
Debt due within 1 year	(8,263)	(8,585)	8,263	(8,585)
Debt due after 1 year	(9,687)	-	8,889	(798)
Finance leases	(14,461)	17,601	(25,145)	(22,005)
Total	118,835	(133,138)	(7,993)	(22,296)

ALLEN MARMOT (EUROPEAN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000 (CONT)

26. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT)/FUNDS

	2000 £	1999 £
Decrease in cash in the year	(124,830)	(11,392)
Cash outflow from decrease in debt and lease financing	9,016	4,880
Change in net (debt)/funds resulting from cash flows	(133,138)	(6,513)
New finance leases	(25,145)	-
Movement in net (debt)/funds in the year	(141,131)	(6,513)
Net funds at 1 April 1999	118,835	125,348
Net (debt)/funds at 31 March 2000	(22,296)	118,835

27. NON-CASH TRANSACTIONS

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £25,145 (1999 - £-).