

COMPANY NO. 1141507

EDWARDS & WALKDEN (NORFOLK) LTD

BALANCE SHEET AND ACCOUNTS

FOR THE YEAR ENDED
31ST MARCH, 2001



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FORDYCE, CURRY & CO
CHARTERED CERTIFIED ACCOUNTANTS
BOUNDARY HOUSE
91-93 CHARTERHOUSE STREET
LONDON EC1M 6PN

EDWARDS & WALKDEN (NORFOLK) LTD

DIRECTORS' REPORT

The directors of Edwards and Walkden (Norfolk) Ltd present their report and the audited accounts of the company for the year ended 31st March 2001.

REVIEW OF THE BUSINESS

The results for the year are much improved on the preceding year, now that the business has got over the move.

On 19th January 2001, the company was acquired by Fontridge Holdings Ltd, and the benefits of being part of a larger trading group will be felt more fully in the next financial year.

In the year under review the longstanding dispute with the landlords was settled, and resulted in an exceptional credit of £51,009 as detailed at Note 13 to the accounts.

The directors are satisfied with the progress of the company, and with the financial position at the year end.

RESULTS AND DIVIDENDS

The results for the year and the transfer from reserves are given in the attached Accounts.

The directors paid interim dividends of £10,800 on 2nd November 2000 and £100,000 on 22nd January 2001, but do not recommend the payment of a final dividend for the year.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:-

S. P. J. Thompson (Appointed 19-1-01)
G. E. Darwin
E. J. Lawlor
J. R. Service (Resigned 19-1-01)
Mrs. S. M. Darwin (Resigned 19-1-01)

The whole of the issued share capital is owned by Fontridge Holdings Ltd. The interest of S. P. J. Thompson in the share capital of Fontridge Holdings Ltd is disclosed in the Accounts of that company. E. J. Lawlor and G. E. Darwin have no interest in the shares of that company. No other directors' interests are required to be disclosed under the Companies Act 1985.

CLOSE COMPANY STATUS

The close company provisions of the Income and Corporation Taxes Act 1988 apply to the company.

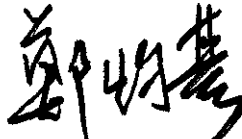
EDWARDS & WALKDEN (NORFOLK) LTD

DIRECTORS' REPORT (CONT'D)

AUDITORS

Fordyce, Curry & Co. have indicated their willingness to remain in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be '鄭物基' (Cheng Wok-ki), written in a cursive style.

C. K. J. CHENG
SECRETARY

DATE: 27 July 2001

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.

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

AUDITORS' REPORT TO THE SHAREHOLDERS OF
EDWARDS & WALKDEN (NORFOLK) LTD

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of Directors and Auditors

As described on page 3, 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 statements and to report our opinion to you.

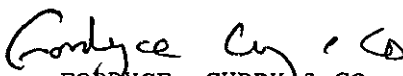
Basis of opinion

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2001, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


FORBYCE, CURRY & CO.

CHARTERED CERTIFIED ACCOUNTANTS

REGISTERED AUDITORS

BOUNDARY HOUSE
91-93 CHARTERHOUSE STREET
LONDON EC1M 6PN

DATE: 27 July 2001

EDWARDS & WALKDEN (NORFOLK) LTD

BALANCE SHEET AT 31ST MARCH, 2001

As At
30th March 2000

<u>TANGIBLE FIXED ASSETS</u> (Note 4)	59,850	71,225
<u>CURRENT ASSETS</u>		
Stocks (Note 5)	57,394	54,956
Debtors (Note 6)	393,562	309,081
Cash at Bank & In Hand	27,799	129,500
	<hr/>	<hr/>
	478,755	493,537
<u>CREDITORS: AMOUNTS FALLING DUE</u>		
<u>WITHIN ONE YEAR</u> (Note 7)	444,054	418,452
	<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>	34,701	75,085
	<hr/>	<hr/>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	94,551	146,310
<u>CREDITORS: AMOUNTS FALLING DUE</u>		
<u>OUTSIDE ONE YEAR</u> (Note 19)	6,027	29,767
	<hr/>	<hr/>
<u>NET ASSETS</u>	£ 88,524	£ 116,543
	<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>		
Called Up Share Capital (Note 9)	22,000	22,000
Share Premium Account	3,000	3,000
Profit & Loss Account (Note 10)	63,524	91,543
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<u>SHAREHOLDERS FUNDS - EQUITY</u>	£ 88,524	£ 116,543
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The notes on pages 7 to 12 form part of these financial statements.

The financial statements were approved by the Board on 27 July 2001 and signed on its behalf.

S. P. J. THOMPSON

SPJT

E. J. LAWLOR

EJL

)
)
) DIRECTORS
)
)

EDWARDS & WALKDEN (NORFOLK) LTD

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2001

For the Year Ended
30th March 2000

<u>TURNOVER</u>	5,038,373	4,554,922
<u>COST OF SALES</u>	4,542,472	4,135,953
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<u>GROSS PROFIT</u>	495,901	418,969
Distribution Costs	(219)	-
Administrative Expenses	(384,630)	(397,905)
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<u>OPERATING PROFIT</u>	111,052	21,064
Interest Receivable	5,121	6,594
Interest Payable	(3,432)	(3,338)
	<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u> (Note 2)	112,741	24,320
TAXATION (Note 3)	29,960	5,688
	<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>	82,781	18,632
DIVIDENDS (Note 22)	110,800	7,200
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<u>RETAINED (LOSS)/PROFIT</u>	£ (28,019)	£ 11,432
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Reserve Movements are detailed at Note 10 to the Accounts.

None of the company's activities was acquired or discontinued during the above two financial years.

The Notes on pages 7 to 12 form part of these financial statements.

STATEMENT OF RECOGNISED GAINS OR LOSSES

The company made no recognised gains or losses for the above two financial years other than the net profit after taxation.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2001

1. ACCOUNTING POLICIES

Accounting Convention

The accounts of the company have been prepared under the historical cost convention and in accordance with applicable accounting standards. The company has not prepared a cashflow statement as it is exempt from the requirements of FRS1 as a small company, and its ultimate holding company has prepared a consolidated cashflow statement for the group.

Turnover

Turnover is the gross amount of goods sold, less credits and allowances and net of VAT. All turnover arises in the UK from the company's principal activity.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Depreciation

Depreciation on fixed assets is provided on a straight line basis on the original cost of the assets using the following rates:-

Motor Vehicles	25% per annum
Fixtures, Fittings & Equipment	25% per annum
Leasehold Property	Over remaining term of the Lease

Deferred Taxation

The company provides for deferred taxation using the liability method to take account of timing differences between the treatment of certain items for accounts purposes and for Corporation Tax purposes, except to the extent that the liability is not expected to be payable.

Lease Transactions

Rentals under operating leases are charged to the Profit and Loss Account as they fall due.

Pensions

The company makes contributions to Money Purchase Personal Pension plans for the benefit of one of its directors and five employees, and also contributes to the Smithfield Market Tenants Association Employee Benefits Scheme for three of its employees. These are money purchase schemes and the pensions charge for these represents the amounts payable by the company to the funds in the year.

In addition, some of the company's employees were members of an Insured Final Salary Pension Scheme operated for the benefit of employees of the company and its former fellow group companies. Contributions to this fund are based on actuarial advice and the pension charge for this scheme represents the amounts payable for the year based on this advice. The employees concerned left the scheme when the company left the former group.

EDWARDS & WALKDEN (NORFOLK) LTD

NOTES TO THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH, 2001

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging the following amounts:-

	<u>2001</u>	<u>2000</u>
Directors Remuneration	72,146	49,963
Pension Costs (Inc. Directors)	18,864	12,760
Depreciation & Amortisation	11,375	11,984
Operating Lease Rentals - Buildings	40,342	34,945
- Plant & Machinery	13,143	20,191
Auditors Remuneration - Audit	5,200	5,100
- Other Services	1,000	1,000
Interest Payable on Borrowings - Bank	60	23
- Others	3,372	3,315
Group Management Charges *	<u>20,000</u>	<u>20,000</u>

* These transactions are with the former related party, Home Grown Produce (Holdings) Ltd, which was a group company. The company was acquired by Fontridge Holdings Ltd on 19th January 2001.

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:-

Corporation Tax due 1.1.2002 @ 26% (2000 20%) £ 29,960 £ 5,688

The close company provisions of the Income and Corporation Taxes Act 1988 apply to the company.

There is no potential liability for deferred taxation.

4. TANGIBLE FIXED ASSETS

	Short Leasehold <u>Property</u>	Fixtures, Fittings & <u>Equipment</u>	Motor <u>Vehicles</u>	<u>Total</u>
Cost at 31.3.2000 and at 31.3.2001	£ 68,000	£ 7,309	£ 13,995	£ 89,304
Depreciation at 31.3.2000	6,800	4,865	6,414	18,079
Provision for the Year	6,800	1,076	3,499	11,375
Depreciation at 31.3.2001	£ 13,600	£ 5,941	£ 9,913	£ 29,454
Net Book Value at 31.3.2001	£ 54,400	£ 1,368	£ 4,082	£ 59,850
Net Book Value at 31.3.2000	£ 61,200	£ 2,444	£ 7,581	£ 71,225

EDWARDS & WALKDEN (NORFOLK) LTD

NOTES TO THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH, 2001

5. STOCKS

	<u>2001</u>	<u>2000</u>
Goods for Resale	£ <u>57,394</u>	£ <u>54,956</u>

6. DEBTORS

Trade Debtors	341,668	293,716
Amounts Due from Group Companies	-	4,202
Other Debtors	18,781	3,487
Prepayments & Accrued Income	<u>33,113</u>	<u>7,676</u>
	£ <u>393,562</u>	£ <u>309,081</u>

Included within other debtors are amounts due outside one year of £14,390 (2000 - £nil).

7. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

Bank Overdraft (Note 8)	53,630	4,827
Loan (Note 20)	23,740	22,292
Trade Creditors	288,432	352,836
Corporation Tax	29,960	5,688
Accruals & Deferred Income	<u>48,292</u>	<u>32,809</u>
	£ <u>444,054</u>	£ <u>418,452</u>

Included within Accruals and Deferred Income is an amount of £7,496 (2000 - £6,671) relating to Social Security and other taxes.

8. BANK OVERDRAFT

The bank overdraft is secured by a mortgage debenture over the company's assets.

9. CALLED UP SHARE CAPITAL

	<u>2001</u>	<u>2000</u>
Authorised: Ordinary Shares of £1 each	£ <u>50,000</u>	£ <u>50,000</u>
Allotted, Called Up & Fully Paid:		
Ordinary Shares of £1 each	£ <u>22,000</u>	£ <u>22,000</u>

10. PROFIT AND LOSS ACCOUNT

Profit at 31st March 2000	91,543	80,111
Transfer (from)/to Profit & Loss Account	(<u>28,019</u>)	<u>11,432</u>
Profit at 31st March 2001	£ <u>63,524</u>	£ <u>91,543</u>

EDWARDS & WALKDEN (NORFOLK) LTD

NOTES TO THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH, 2001

11. PENSION COMMITMENTS

Some of the company's employees were members of an Insured Final Salary Pension Scheme operated for the benefit of employees of the company and its former fellow group companies. Contributions to this scheme, which are charged against profit, were based upon actuarial advice following the most recent valuation of the fund. The employees concerned left the scheme when the company left the former group.

The company also makes contributions to Money Purchase Personal Pension Schemes for the benefit of one of its directors and five employees, and to the Smithfield Market Tenants Association Employee Benefits Scheme for three of its employees.

12. LEASE COMMITMENTS

The annual commitment is analysed as follows:

	<u>Plant & Machinery</u>		<u>Land & Buildings</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Expiring between 2 and 5 years	4,015	-	-	-
Expiring after 5 years	-	4,015	42,967	46,760
	£ 4,015	£ 4,015	£ 42,967	£ 46,760

13. EXCEPTIONAL CREDIT

The company has agreed to settle a dispute with its landlord over prior year rents, and has as a result received compensation of £51,009, which has been credited to administrative expenses.

14. EMPLOYEES

The average number of persons employed by the company during the year was 11 (2000 - 11).

15. DIRECTORS' EMOLUMENTS

	<u>2001</u>	<u>2000</u>
Management Remuneration including benefits	72,146	49,963
Contributions under Money Purchase Schemes	3,542	3,360
	£ 75,688	£ 53,323

During the year retirement benefits were accruing to 1 Director (2000 - 1) in respect of Money Purchase Schemes.

EDWARDS & WALKDEN (NORFOLK) LTD

NOTES TO THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH, 2001

15. DIRECTORS' EMOLUMENTS (CONT'D)

	<u>2001</u>	<u>2000</u>
<u>Management Remuneration including Benefits</u>		
Chairman	£ <u>12,288</u>	£ <u>6,555</u>
Highest Paid Director	£ <u>57,134</u>	£ <u>40,931</u>

The table which follows shows the number of other Directors whose remuneration was within the bands stated:-

£ Nil - £ 5,000	3	2
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16. ULTIMATE HOLDING COMPANY AND CONTROL

The company's ultimate holding company is Fontridge Holdings Ltd, a company incorporated in Great Britain. The holding company is under the control of S. P. J. Thompson.

17. RECONCILIATION OF MOVEMENT ON
SHAREHOLDERS FUNDS

	<u>2001</u>	<u>2000</u>
Profit for the Financial Year	82,781	18,632
Dividends	<u>110,800</u>	<u>7,200</u>
Net Addition to Shareholders Funds	(28,019)	11,432
Opening Shareholders Funds	<u>116,543</u>	<u>105,111</u>
Closing Shareholders Funds	£ <u>88,524</u>	£ <u>116,543</u>

All shareholders funds are attributable to equity interests.

18. RELATED PARTIES

As permitted by paragraph 17 of FRS8, the company has not disclosed some transactions with other group companies.

19. CREDITORS: AMOUNTS FALLING DUE
OUTSIDE ONE YEAR

	<u>2001</u>	<u>2000</u>
Loan (Note 20)	£ <u>6,027</u>	£ <u>29,767</u>

EDWARDS & WALKDEN (NORFOLK) LTD

NOTES TO THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH, 2001

20. LOAN

The loan is repayable in instalments and carries interest at 6½p.a. Capital is repayable as follows:

	<u>2001</u>	<u>2000</u>
Within 1 year	23,740	22,292
Between 1 & 2 years	6,027	23,740
Between 2 & 5 years	-	6,027
	£ <u>29,767</u>	£ <u>52,059</u>

21. RENT DEPOSIT

The company has paid a rent deposit of £11,690 (2000 - £nil) to its landlord, to be held over the term of the lease.

Subsequent to the year end a charge has been granted over the deposit, to secure any sums due to the landlord from the company.

22. DIVIDENDS

	<u>2001</u>	<u>2000</u>
Interim Dividends Paid	£ <u>110,800</u>	£ <u>7,200</u>

23. STAFF COSTS

Staff costs including directors were as follows:-

Salaries & Benefits	248,930	219,695
Termination Payments	500	-
Social Security Costs	20,961	18,254
Pension Costs	<u>18,864</u>	<u>12,760</u>
	£ <u>289,255</u>	£ <u>250,709</u>