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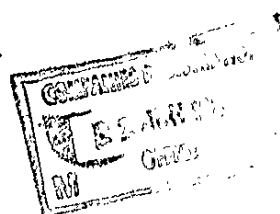
CHARLES GORDON ASSOCIATES LIMITED

REPORT AND ACCOUNTS

for the year ended

31 JANUARY 1987

BINDER HAMLYN
1 SERJEANTS INN
LONDON EC4Y 1JD



REPORT OF THE DIRECTORS

Directors

C.P. Gordon

Chairman

Mrs. J.M. Gordon

The directors submit their report together with the audited accounts of the company for the year ended 31 January 1987.

Financial results and dividends

Retained profits for the year

£5,533

The directors do not recommend the payment of a dividend.

Review of the business

The principal activity of the company during the year was that of mustard production.

Turnover has decreased by 14% to £260,391 during the year as a result of the loss of a major own label customer. Turnover is now increasing as new customers are obtained and due to increased sales of the Gordons label.

Events since the end of the year and future developments

There have been no material events since the end of the year. The company continues to trade steadily.

Fixed assets

The company spent £2,855 on tangible fixed assets during the year.

Directors

The interests of the directors and their families in the £1 ordinary shares of the company were as follows

	31 January 1987	1 February 1986
C.P. Gordon	2,505	2,505
Mrs. J.M. Gordon	2,495	2,495

Mr.C.P. Gordon retires by rotation and being eligible offers himself for re-election.

Auditors

With effect from 1 May 1987, the company's auditors, Dearden Farrow, merged their practice with that of Binder Hamlyn. A resolution will be proposed at the Annual General Meeting to re-appoint Binder Hamlyn as auditors of the company.

By order of the board

Secretary

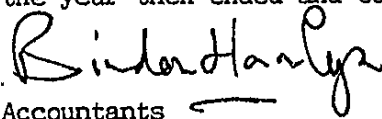
J.M. Gordon

REPORT OF THE AUDITORS
to the members of Charles Gordon Associates Limited

We have audited the accounts on pages 3 to 8 in accordance with approved Auditing Standards.

In common with many businesses of similar size and organisation the company's system of internal control is dependent upon the close involvement of the directors who are the only shareholders. Where independent confirmation of the completeness of the accounting records was therefore not available we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31st January 1987 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.


Chartered Accountants

London

20.5.87

PROFIT AND LOSS ACCOUNT
for the year ended 31 January 1987

	Notes	1987	1986
Turnover		260,391	303,053
Cost of sales		<u>161,797</u>	<u>195,073</u>
Gross profit		98,594	107,980
Distribution costs	19,585		28,033
Administrative expenses	<u>70,392</u>	<u>89,977</u>	<u>60,647</u>
Profit on ordinary activities before tax	3	8,617	19,300
Tax on profit on ordinary activities	4	<u>2,313</u>	<u>6,030</u>
Profit on ordinary activities after tax		6,304	13,270
Dividends	5	-	<u>2,000</u>
Retained profit for the year		<u>£ 6,304</u>	<u>£11,270</u>

STATEMENT OF RETAINED PROFITS

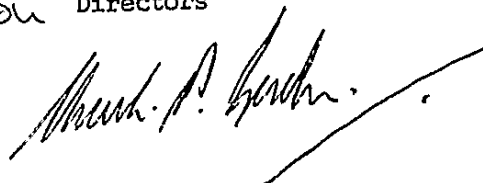
Retained profits brought forward	21,895	10,625
Retained profit for the year	<u>6,304</u>	<u>11,270</u>
Retained profits carried forward	<u>£28,199</u>	<u>£21,895</u>

BALANCE SHEET
31 January 1987

	Notes	1987	1986
Fixed assets			
Tangible assets	6	11,692	15,076
		<u>11,692</u>	<u>15,076</u>
Current assets			
Stocks	7	35,585	32,314
Debtors	8	24,728	13,305
Cash at bank and in hand		239	2,753
		<u>60,552</u>	<u>48,372</u>
Creditors: amounts falling due within one year	9	37,579	35,130
Net current assets		<u>22,973</u>	<u>13,242</u>
Total assets less current liabilities		<u>34,665</u>	<u>28,318</u>
Provisions for liabilities and charges	10	1,466	1,423
		<u>£33,199</u>	<u>£26,895</u>
Capital and reserves			
Called up share capital	11	5,000	5,000
Profit and loss account		28,199	21,895
		<u>£33,199</u>	<u>£26,895</u>

Approved by the board on 18 MAY 1987

J.M. Gordon Directors



STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 31 January 1987

	1987	1986
Profit on ordinary activities before tax	8,617	19,300
Items not involving the movement of funds		
Depreciation	4,726	4,578
Profit on disposal of fixed assets	(487)	(1,063)
	<u>4,239</u>	<u>3,515</u>
Funds generated from trading operations	12,856	22,815
Funds from other sources		
Proceeds of disposal of fixed assets	2,000	1,063
Loan from a director	-	(3,000)
	<u>2,000</u>	<u>(1,937)</u>
Total funds generated	14,856	20,878
Use of funds		
Purchase of fixed assets	2,855	6,639
Tax paid	5,527	93
	<u>8,382</u>	<u>6,732</u>
Increase in working capital	6,474	14,146
Increase/(decrease) in stocks	3,270	(1,804)
Increase/(decrease) in debtors	11,422	(8,972)
Decrease in creditors	11,308	12,497
	<u>26,000</u>	<u>1,721</u>
(Decrease)/increase in net liquid funds	<u>£(19,526)</u>	<u>£12,425</u>
(Decrease)/increase in cash at bank and in hand	(2,513)	2,702
(Increase)/decrease in bank overdraft	<u>(17,013)</u>	<u>9,723</u>
	<u>£(19,526)</u>	<u>£12,425</u>

NOTES TO THE ACCOUNTS

1 Accounting policies

The following are the more important accounting policies adopted by the company:

(a) Basis of accounting

The accounts are prepared under the historical cost convention.

(b) Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset evenly over its expected useful life, which is reviewed annually. The estimated useful lives are as follows

Motor Vehicle	4 years
Caravan	4 years
Equipment	10 years

(c) Stocks

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

(d) Deferred taxation

Provision is made for deferred taxation on the liability method. No provision is made, however, where it can be estimated, with reasonable probability, that such taxation will not become payable in the foreseeable future.

2 Employees

The average weekly number of employees during the year was 4, made up as follows

Production	2	2
Administration and management	2	2
	<u>4</u>	<u>4</u>

Staff costs during the year amounted to

Wages and salaries	44,243	40,899
Social security costs	4,414	3,198
	<u>£48,657</u>	<u>£44,097</u>

NOTES TO THE ACCOUNTS
continued

	1987	1986		
3 Operating profit on ordinary activities is stated after charging				
Depreciation				
Directors' remuneration	5,306	4,578		
as executives				
Auditors' remuneration	31,735	30,816		
Bank interest	1,000	900		
	1,366	2,728		
4 Tax				
Corporation tax at 29% (1986: 30%) based on the adjusted profit for the year	3,100	5,500		
Adjustment for overprovision in previous year	27	-		
Deferred tax	(814)	530		
	£2,313	£6,030		
5 Dividends				
Ordinary - final proposed Nil% (1986 40%)	£ -	2,000		
	£ -	£2,000		
6 Tangible fixed assets				
	Motor Vehicle	Caravan	Equipment	Total
Cost				
1 February 1986	14,657	3,514	13,506	31,677
Additions	2,855	-	-	2,855
Disposals	(1,500)	-	(517)	(2,017)
31 January 1987	16,012	3,514	12,989	32,515
Accumulated depreciation				
1 February 1986	9,758	878	5,965	16,601
Depreciation for the year	2,600	879	1,247	4,726
Disposals	(376)	-	(128)	(504)
31 January 1987	11,982	1,757	7,084	20,823
Net book value				
31 January 1987	£4,030	£1,757	£ 5,905	£11,692
1 February 1986	£4,899	£ 2,636	£ 7,541	£15,076
7 Stocks				
			1987	1986
Raw materials				
Finished goods			9,138	7,255
Packaging materials			6,756	4,334
			19,691	20,725
			£35,585	£32,314

NOTES TO THE ACCOUNTS
continued

		1987	1986
8 Debtors			
Trade debtors		16,500	9,525
Other debtors		2,374	1,477
Prepayments and accrued income		5,854	2,303
		<u>£24,728</u>	<u>£13,305</u>
9 Creditors			
Amounts falling due within one year			
Bank overdraft		17,013	-
Trade creditors		7,881	5,097
Corporation tax		2,243	6,357
Other taxes and social security costs		2,199	(269)
Proposed dividend		-	2,000
Directors' loan accounts		-	17,305
Other creditors		8,243	4,640
		<u>£37,579</u>	<u>£35,130</u>
10 Provisions for liabilities and charges			
Deferred taxation provided in the accounts and the potential liability, including the amounts for which provision has been made, are as follows			
		<u>Provision</u>	<u>Potential</u>
Capital allowances	1,466	2,280	2,367
			2,280
Less: Advance corporation tax on proposed dividend	-	857	-
			857
	<u>£1,466</u>	<u>£1,423</u>	<u>£2,367</u>
			<u>£1,423</u>
11 Related party transactions			
The directors are also directors and shareholders of a company which bottles mustard for Charles Gordon Associates Limited. During the year 1987 that company was paid £46,821.32 (1986: £56,752).			
12 Share capital			
		<u>Authorised</u>	<u>Allotted, issued and fully paid</u>
Ordinary shares of £1 each	10,000	10,000	£5,000
			£5,000
			<u>£5,000</u>
			<u>£5,000</u>