

Registered number: 01279733

CHARLES GORDON ASSOCIATES LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2003



 **Wellden
Turnbull**

Chartered Accountants and
Registered Auditors

CHARLES GORDON ASSOCIATES LIMITED

COMPANY INFORMATION

DIRECTORS	Mr C P Gordon Mr A L Gordon
SECRETARY	Mr A L Gordon
COMPANY NUMBER	01279733
REGISTERED OFFICE	Gordon House Littlemead Industrial Estate Cranleigh Surrey GU6 8ND
AUDITORS	Wellden Turnbull Chartered Accountants & Registered Auditors 78 Portsmouth Road Cobham Surrey KT11 1PP

CHARLES GORDON ASSOCIATES LIMITED

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CHARLES GORDON ASSOCIATES LIMITED

DIRECTORS' REPORT For the year ended 31 January 2003

The directors present their report and the financial statements for the year ended 31 January 2003.

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 ACTIVITIES

The principal activity of the company in the year was the production, sale and distribution of mustard and condiments.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were:

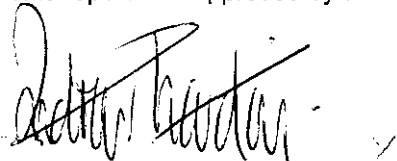
	Ordinary C shares of £1 each		Ordinary A shares of £1 each		Ordinary B shares of £1 each	
	<u>31/1/03</u>	<u>1/2/02</u>	<u>31/1/03</u>	<u>1/2/02</u>	<u>31/1/03</u>	<u>1/2/02</u>
Mr C P Gordon	4	-	3,000	5,745	1,000	-
Mr A L Gordon	-	-	1	-	1,000	-

AUDITORS

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

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

This report was approved by the board on 15th August 2003 and signed on its behalf.



Mr A L Gordon
Director

CHARLES GORDON ASSOCIATES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHARLES GORDON ASSOCIATES LIMITED

We have audited the financial statements of Charles Gordon Associates Limited for the year ended 31 January 2003 set out on pages 4 to 12. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 to 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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.

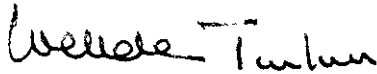
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

CHARLES GORDON ASSOCIATES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHARLES GORDON ASSOCIATES
LIMITED**

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Wellden Turnbull

Chartered Accountants
Registered Auditors

78 Portsmouth Road
Cobham
Surrey
KT11 1PP

Date : 22.8.03

CHARLES GORDON ASSOCIATES LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 January 2003

	Note	2003 £	2002 £
TURNOVER	1, 2	2,377,279	2,146,634
Cost of sales		<u>(1,600,598)</u>	<u>(1,420,659)</u>
GROSS PROFIT		776,681	725,975
Administrative expenses		(677,246)	(578,126)
Other operating income	3	<u>-</u>	<u>3,216</u>
OPERATING PROFIT	4	99,435	151,065
Interest receivable		44	68
Interest payable		<u>(27,619)</u>	<u>(33,306)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		71,860	117,827
TAX ON PROFIT ON ORDINARY ACTIVITIES	6	<u>(17,834)</u>	<u>(328)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		54,026	117,499
DIVIDENDS	7	<u>(20,000)</u>	<u>-</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		34,026	117,499
RETAINED PROFIT BROUGHT FORWARD		328,065	210,566
Transferred from revaluation reserve		<u>18,401</u>	<u>-</u>
RETAINED PROFIT CARRIED FORWARD		<u>£ 380,492</u>	<u>£ 328,065</u>

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

CHARLES GORDON ASSOCIATES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 January 2003

	2003 £	2002 £
PROFIT FOR THE FINANCIAL YEAR	54,026	117,499
Unrealised surplus on revaluation of tangible fixed assets	-	24,429
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>£ 54,026</u>	<u>£ 141,928</u>

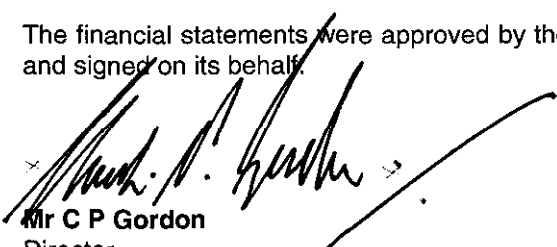
CHARLES GORDON ASSOCIATES LIMITED

BALANCE SHEET
As at 31 January 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible fixed assets	8	485,067	522,790
CURRENT ASSETS			
Stocks		286,148	235,071
Debtors	9	274,586	341,333
Cash at bank and in hand		24,541	7,375
		<u>585,275</u>	<u>583,779</u>
CREDITORS: amounts falling due within one year	10	<u>(395,026)</u>	<u>(392,583)</u>
NET CURRENT ASSETS		<u>190,249</u>	<u>191,196</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>675,316</u>	<u>713,986</u>
CREDITORS: amounts falling due after more than one year	11	<u>(102,167)</u>	<u>(175,121)</u>
NET ASSETS		<u>£ 573,149</u>	<u>£ 538,865</u>
CAPITAL AND RESERVES			
Called up share capital	12	6,004	5,746
Share premium account		25,364	25,364
Revaluation reserve	13	161,289	179,690
Profit and loss account		380,492	328,065
SHAREHOLDERS' FUNDS		<u>£ 573,149</u>	<u>£ 538,865</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on 18th August 2003 and signed on its behalf.


Mr C P Gordon
Director


Mr A L Gordon
Director

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

CHARLES GORDON ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 January 2003

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land and buildings	-	2%	straight line
Long-term leasehold land and buildings	-	20%	straight line
Plant and machinery	-	20%	straight line
Motor vehicles	-	25%	straight line
Furniture, fittings and equipment	-	20%	straight line
Computer equipment	-	10%	straight line

1.5 Revaluation of tangible fixed assets

As permitted by the transitional provisions of the Financial Reporting Standard for Smaller Entities (effective June 2002) the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 17 July 2001 and will not update that valuation.

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 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 on the straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

CHARLES GORDON ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 January 2003

1.10 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.11 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.

1.12 Computer finance lease

In 2001 the company purchased software together with supporting hardware on a five year lease. In the opinion of the directors this system is integral to the company's long term strategic plans and to depreciate the cost over a five year period would distort the performance of the company. It is expected that the software will be operated for a minimum of ten years and therefore the cost will be depreciated over this period using the straight line method of calculating depreciation.

2. TURNOVER

0.8% of the company's turnover (2002 - 1.1%) is attributable to geographical markets outside the United Kingdom.

3. OTHER OPERATING INCOME

	2003 £	2002 £
Net rents receivable	-	3,216

4. OPERATING PROFIT

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

	2003 £	2002 £
Depreciation of tangible fixed assets:		
- owned by the company	18,111	20,178
- held under finance leases	32,972	32,972
Auditors' remuneration	6,600	7,050
Pension costs	17,682	19,883
Difference on foreign exchange	(1,579)	-

5. DIRECTORS' REMUNERATION

	2003 £	2002 £
Aggregate emoluments	£ 101,935	£ 94,585

During the year retirement benefits were accruing to 2 directors (2002 - 2) in respect of money purchase pension schemes.

CHARLES GORDON ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 January 2003

6. TAXATION

	2003	2002
	£	£
UK Corporation tax	18,198	328
Adjustments in respect of prior periods - corporation tax	(364)	-
	<u>£ 17,834</u>	<u>£ 328</u>

7. DIVIDENDS

	2003	2002
	£	£
On equity shares		
Total dividends paid	5,000	-
Total dividends proposed	15,000	-
	<u>£ 20,000</u>	<u>£ -</u>

8. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Computer equipment	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 February 2002	365,827	323,523	27,880	26,073	122,543	865,846
Additions	-	10,627	2,883	600	-	14,110
Disposals	-	-	(18,880)	-	-	(18,880)
At 31 January 2003	<u>365,827</u>	<u>334,150</u>	<u>11,883</u>	<u>26,673</u>	<u>122,543</u>	<u>861,076</u>
Depreciation						
At 1 February 2002	15,170	257,037	22,630	23,711	24,508	343,056
Charge for the year	7,471	26,522	2,971	1,865	12,254	51,083
On disposals	-	-	(18,130)	-	-	(18,130)
At 31 January 2003	<u>22,641</u>	<u>283,559</u>	<u>7,471</u>	<u>25,576</u>	<u>36,762</u>	<u>376,009</u>
Net book value						
At 31 January 2003	<u>£ 343,186</u>	<u>£ 50,591</u>	<u>£ 4,412</u>	<u>£ 1,097</u>	<u>£ 85,781</u>	<u>£ 485,067</u>
At 31 January 2002	<u>£ 350,657</u>	<u>£ 66,486</u>	<u>£ 5,250</u>	<u>£ 2,362</u>	<u>£ 98,035</u>	<u>£ 522,790</u>

CHARLES GORDON ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 January 2003

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2003	2002
	£	£
Plant and machinery	34,569	53,827
Motor vehicles	2,000	4,000
Computer equipment	85,779	98,034
	<u>£ 122,348</u>	<u>£ 155,861</u>

At 31 January 2003, included within the net book value of land and buildings is £341,925 relating to freehold land and buildings and £1,261 relating to long term leasehold land and buildings.

The freehold property was revalued in June 2001 by G Davis, a chartered surveyor of Newman Davis and Co. The method of valuation was current open market value.

Cost or valuation at 31 January 2003 is as follows:

	Land and buildings £
At cost	191,212
At valuation:	
Prior to July 2001 at current open market value	157,115
July 2001 at current open market value	17,500
	<u>£ 365,827</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2003	2002
	£	£
Cost	191,212	191,212
Accumulated depreciation	122,375	118,551
Net book value	<u>£ 68,837</u>	<u>£ 72,661</u>

CHARLES GORDON ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 January 2003

9. DEBTORS

	2003 £	2002 £
Due within one year		
Trade debtors	234,213	292,877
Other debtors	40,373	48,456
	<hr/>	<hr/>
	£ 274,586	£ 341,333
	<hr/>	<hr/>

Included within other debtors due within one year are loans to the following directors:

Mr A L Gordon £437 (2002 - £1,000). The maximum outstanding during the year was £1,000.

Mr C P Gordon £4,021 (2002 - £17,667). The maximum outstanding in the year was £17,667. Both were cleared by way of dividends after the year end.

10. CREDITORS:
Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	76,602	69,262
Net obligations under finance leases and hire purchase contracts	36,533	38,517
Trade creditors	204,832	186,125
Corporation tax	18,199	328
Social security and other taxes	18,639	11,718
Other creditors	40,221	86,633
	<hr/>	<hr/>
	£ 395,026	£ 392,583
	<hr/>	<hr/>

The obligations under finance lease and hire purchase contracts are secured against the underlying assets.

11. CREDITORS:
Amounts falling due after more than one year

	2003 £	2002 £
Bank loans	62,720	99,141
Net obligations under finance leases and hire purchase contracts	39,447	75,980
	<hr/>	<hr/>
	£ 102,167	£ 175,121
	<hr/>	<hr/>

Creditors include amounts not wholly repayable within 5 years as follows:

	2003 £	2002 £
Repayable by instalments	£ -	£ 29,607
	<hr/>	<hr/>

The bank loan is secured by a First Legal Mortgage dated 29 August 1997 over the freehold property. The bank also hold an unscheduled mortgage debenture dated 26 February 1991 incorporating a fixed and floating charge over all of the current and future assets of the company.

CHARLES GORDON ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 January 2003

12. SHARE CAPITAL

	2003 £	2002 £
Authorised, allotted, called up and fully paid		
3,000 Ordinary A shares of £1 each	3,000	5,746
3,000 Ordinary B shares of £1 each	3,000	-
4 Ordinary C shares of £1 each	4	-
	<u>£ 6,004</u>	<u>£ 5,746</u>

During the year 258 ordinary shares were issued at par.

13. RESERVES

Revaluation reserve	£
At 1 February 2002	179,690
Transfer to profit and loss account	(18,401)
	<u>£ 161,289</u>
At 31 January 2003	

14. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £17,682 (2002 - £19,883).

15. OPERATING LEASE COMMITMENTS

At 31 January 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Expiry date:		
Within 1 year	396	29,886
Between 2 and 5 years	58,439	3,890
After more than 5 years	2,928	24,000
	<u> </u>	<u> </u>

16. TRANSACTIONS WITH DIRECTORS

At the year end Mr C P Gordon's directors loan account was overdrawn by £4,021 (2002 - £17,667). At the year end Mr A L Gordon, a company director, had an overdrawn loan account of £437 (2002 - £1000).

17. CONTROLLING PARTY

Mr C P Gordon is the ultimate controlling party of the company.