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Company Registration No. 1341153 (England and Wales)

GORDON CONRAD LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2000



NLP/RR

GORDON CONRAD LIMITED

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GORDON CONRAD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2000

The directors present their report and financial statements for the year ended 30 April 2000.

Principal activities and review of the business

The principal activity of the company continued to be that of importing and distributing food products.

The results for the year are shown on page 5 of the financial statements.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Year 2000

The directors are pleased to report that the initiatives that were put in place resulted in the company not being affected by any Year 2000 computer problems. The company continues to monitor the situation, being aware that future problems may occur during the course of the next financial year.

Directors

The following directors have held office since 1 May 1999:

G E Conrad

N P Amos

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 April 2000	1 May 1999
G E Conrad	20,000	20,000
N P Amos	-	-

Auditors

Nyman Libson Paul were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

GORDON CONRAD LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

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.

By order of the Board



N P Amos

Director

19 September 2000



Nyman Libson Paul

CHARTERED ACCOUNTANTS

Regina House, 124 Finchley Road, London NW3 5JS

GORDON CONRAD LIMITED

AUDITORS' REPORT TO GORDON CONRAD LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of the company for the year ended 30 April 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 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 4 to 14 are properly prepared in accordance with that provision.

Other information

On 19 September 2000 we reported, as auditors of Gordon Conrad Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 April 2000, and our audit report included the following paragraph:

"Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosure made in note 1 of the financial statements concerning the continued support of the company's creditors and the appropriateness of the going concern basis of preparation of the financial statements. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect."

Nyman Libson Paul

19 September 2000

Chartered Accountants
& Registered Auditors

124 Finchley Road
London
NW3 5JS

GORDON CONRAD LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2000

		2000	1999
	Notes	£	£
Gross profit		1,282,906	1,211,768
Distribution costs		(303,811)	(196,411)
Administrative expenses		(771,835)	(728,058)
Other operating income		-	1,180
Operating profit	2	207,260	288,479
Other interest receivable and similar income	3	8,954	7,843
Interest payable and similar charges	4	(66,237)	(105,355)
Profit on ordinary activities before taxation		149,977	190,967
Tax on profit on ordinary activities	5	(31,214)	(53,214)
Profit on ordinary activities after taxation	12	118,763	137,753

GORDON CONRAD LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 APRIL 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	6		146,233		109,317
Current assets					
Stocks	7	169,986		122,946	
Debtors	8	1,172,390		1,039,852	
Cash at bank and in hand		3,611		21,391	
		<u>1,345,987</u>		<u>1,184,189</u>	
Creditors: amounts falling due within one year	9	<u>(2,047,474)</u>		<u>(1,967,523)</u>	
Net current liabilities			<u>(701,487)</u>		<u>(783,334)</u>
Total assets less current liabilities			<u>(555,254)</u>		<u>(674,017)</u>
Capital and reserves					
Called up share capital	11	20,000		20,000	
Profit and loss account	12	(575,254)		(694,017)	
Shareholders' funds	13	<u>(555,254)</u>		<u>(674,017)</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 19 September 2000 and signed on its behalf by:


G E Conrad
Director


N P Amos
Director

GORDON CONRAD LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2000

	2000 £	1999 £
Net cash inflow from operating activities	96,492	401,214
Returns on investments and servicing of finance		
Interest received	8,954	7,843
Interest paid	(66,237)	(105,355)
Net cash outflow for returns on investments and servicing of finance	(57,283)	(97,512)
Taxation	(49,012)	(26,225)
Capital expenditure		
Payments to acquire tangible assets	(114,235)	(74,602)
Receipts from sales of tangible assets	11,601	551,638
Net cash (outflow)/inflow for capital expenditure	(102,634)	477,036
Net cash (outflow)/inflow before management of liquid resources and financing	(112,437)	754,513
Financing		
Repayment of long term bank loan	-	(401,869)
Repayment of other long term loans	-	(200,000)
Factored debts	20,195	(60,795)
Repayment of other short term loans	-	(9,373)
Capital element of hire purchase contracts	(4,258)	(13,991)
Net cash inflow/(outflow) from financing	15,937	(686,028)
(Decrease)/increase in cash in the year	(96,500)	68,485

GORDON CONRAD LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2000

1	Reconciliation of operating profit to net cash inflow from operating activities	2000	1999
		£	£
	Operating profit	207,260	288,479
	Depreciation of tangible assets	62,946	46,311
	Loss on disposal of tangible assets	2,772	50,871
	Increase/(decrease) in stocks	(47,040)	87,283
	Increase in debtors	(132,538)	(117,567)
	Increase in creditors within one year	3,092	45,837
	Net cash inflow from operating activities	96,492	401,214
2	Analysis of net debt	1 May 1999	Cash flow Other non-cash changes 30 April 2000
		£	£ £ £
	Net cash:		
	Cash at bank and in hand	21,391	(17,780) 3,611
	Bank overdrafts	-	(78,720) (78,720)
		<u>21,391</u>	<u>(96,500)</u> <u>(75,109)</u>
	Debt:		
	Finance leases	(4,258)	4,258 - -
	Debts falling due within one year	(559,654)	(20,195) - (579,849)
	Net debt	(542,521)	(112,437) - (654,958)
3	Reconciliation of net cash flow to movement in net debt	2000	1999
		£	£
	(Decrease)/increase in cash in the year	(96,500)	68,485
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(15,937)	686,028
	Movement in net debt in the year	(112,437)	754,513
	Opening net debt	(542,521)	(1,297,034)
	Closing net debt	(654,958)	(542,521)

GORDON CONRAD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The company is showing a deficiency at the balance sheet date of £555,254 and, in order to continue trading, is dependant on the continuing support of its main supplier. The directors have obtained written assurances from the main supplier of its intention to continue to support the company for the foreseeable future.

On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include adjustments that would result from the withdrawal of support by the main supplier.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15% on cost
Office equipment	15% - 33 1/3% on cost
Motor vehicles	25% on cost

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policies stated above. 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.

Rentals payable under operating leases are charged against profit as incurred.

1.5 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

1.6 Pensions

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they are payable to the scheme.

GORDON CONRAD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

2	Operating profit	2000	1999
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	62,946	46,311
	Operating lease rentals	12,500	12,250
	Auditors' remuneration	10,456	12,000
		<hr/>	<hr/>
3	Other interest receivable and similar income	2000	1999
		£	£
	Other interest	8,954	7,843
		<hr/>	<hr/>
4	Interest payable	2000	1999
		£	£
	On bank loans and overdrafts	3,013	24,045
	On other loans wholly repayable within 5 years	60,557	77,823
	Hire purchase interest	1,679	3,487
	On overdue tax	988	-
		<hr/>	<hr/>
		66,237	105,355
		<hr/>	<hr/>
5	Taxation	2000	1999
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 20% (1999 - 21%)	30,000	52,989
	Income tax	-	299
		<hr/>	<hr/>
		30,000	53,288
	Prior years		
	U.K. corporation tax	1,214	(74)
		<hr/>	<hr/>
		31,214	53,214
		<hr/>	<hr/>

GORDON CONRAD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

6 Tangible fixed assets

	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 May 1999	38,300	70,166	116,805	225,271
Additions	5,720	76,433	32,082	114,235
Disposals	-	(25,459)	(25,551)	(51,010)
At 30 April 2000	44,020	121,140	123,336	288,496
Depreciation				
At 1 May 1999	2,394	48,431	65,129	115,954
On disposals	-	(25,459)	(11,178)	(36,637)
Charge for the year	5,817	26,097	31,032	62,946
At 30 April 2000	8,211	49,069	84,983	142,263
Net book value				
At 30 April 2000	35,809	72,071	38,353	146,233
At 30 April 1999	35,906	21,735	51,676	109,317

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 30 April 2000	-
At 30 April 1999	24,585
Depreciation charge for the year	
30 April 2000	-
30 April 1999	18,376

7 Stocks

	2000 £	1999 £
Finished goods and goods for resale	169,986	122,946

GORDON CONRAD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

8 Debtors	2000 £	1999 £
Trade debtors	956,569	747,367
Other debtors	190,521	279,506
Prepayments and accrued income	25,300	12,979
	<u>1,172,390</u>	<u>1,039,852</u>

Amounts falling due after more than one year and included in the debtors above are:

	2000 £	1999 £
Other debtors	<u>20,834</u>	<u>70,833</u>

Trade debtors include an amount of £936,994 (1999 - £730,871) which has been factored. Advances from the factor of £579,849 (1999 - £559,654) have been shown within other creditors.

9 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	78,720	-
Net obligations under finance lease and hire purchase contracts (secured)	-	4,258
Trade creditors	1,250,856	1,012,612
Corporation tax	35,191	52,989
Other taxes and social security costs	75,145	78,752
Directors' current accounts	750	1,073
Other creditors	583,235	779,406
Accruals and deferred income	23,577	38,433
	<u>2,047,474</u>	<u>1,967,523</u>

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the company.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	-	5,722
Finance charges and interest allocated to future accounting periods	-	(1,464)
	<u>-</u>	<u>4,258</u>

GORDON CONRAD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

10 Pension costs

The company operates a defined contribution 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 £1,627 (1999 - £5,000). There were no contributions outstanding at the year end.

11 Share capital	2000 £	1999 £
Authorised		
50,000 Ordinary shares of £ 1 each	50,000	50,000
Allotted, called up and fully paid		
20,000 Ordinary shares of £ 1 each	20,000	20,000

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 May 1999	(694,017)
Retained profit for the year	118,763
Balance at 30 April 2000	(575,254)

13 Reconciliation of movements in shareholders' funds	2000 £	1999 £
Profit for the financial year	118,763	137,753
Opening shareholders' funds	(674,017)	(811,770)
Closing shareholders' funds	(555,254)	(674,017)

GORDON CONRAD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

14 Financial commitments

At 30 April 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2000 £	1999 £
Expiry date:		
Between two and five years	12,250	12,250

15 Directors' emoluments

	2000 £	1999 £
Emoluments for qualifying services	244,519	242,449
Company pension contributions to money purchase schemes	1,627	5,000
	246,146	247,449

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (1999 - 1).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	145,408	146,319
Company pension contributions to money purchase schemes	-	5,000

16 Transactions with directors

Included in other debtors is £25,808 (1999 - £25,808) due from Parsons Table Company Limited, a company of which G E Conrad is a director and shareholder.

Creditors due within one year include £Nil (1999 - £75,000) due to Parsons Table Company Limited at the year end. Interest due for the year amounted to £13,808 (1999 - £19,752).

Included within debtors is £11,248 (1999 - £71,865) due from Osska Limited, a company of which Mr G E Conrad is a shareholder and Mr N P Amos is a director and shareholder. The company has made purchases of £168,350 (1999 - £83,040) from Osska Limited during the year.

GORDON CONRAD LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Administration	9	9
Distribution	2	2
	<u>11</u>	<u>11</u>

Employment costs

	£	£
Wages and salaries	455,503	421,555
Social security costs	48,639	40,981
Other pension costs	1,627	5,000
	<u>505,769</u>	<u>467,536</u>

18 Control

The company was under the control of G E Conrad, a shareholder and director of the company, throughout the current and previous year.

19 Related party transactions

The balance on G E Conrad's director's loan account amounted to £250 (1999 - £250) owed by the company. The balance on N P Amos' loan account amounted to £500 (1999 - £823) owed by the company at the year end.

Mr G E Conrad has provided a guarantee of £50,000 and collateral security in the form of the assignment of a life assurance policy for £300,000 as security against the company's overdraft facility.