

REGISTERED NUMBER: 1555991 (England and Wales)

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 2004

FOR

THE VILLAGE BAKERY (COEDPOETH) LIMITED



THE VILLAGE BAKERY (COEDPOETH) LIMITED

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FOR THE YEAR ENDED 31ST OCTOBER 2004

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THE VILLAGE BAKERY (COEDPOETH) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST OCTOBER 2004

DIRECTORS:

A E Jones
R M Jones
T E Jones
C C Jones

SECRETARY:

A Jones

REGISTERED OFFICE:

Ruthin Road
Minera
WREXHAM
LL11 3RD

REGISTERED NUMBER:

1555991 (England and Wales)

AUDITORS:

M. D. Coxey and Co. Limited
Chartered Accountants
and Registered Auditors
25, Grosvenor Road
Wrexham
LL11 1BT

BANKERS:

HSBC Bank plc.
17-19 Regent Street
Wrexham
LL11 1RY

THE VILLAGE BAKERY (COEDPOETH) LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST OCTOBER 2004

The directors present their report with the accounts of the company for the year ended 31st October 2004.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of baking, wholesaling and retailing of bread, morning goods, savouries and related goods.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts.

The directors are pleased to report a very satisfactory year. The significant recent investment has produced notable growth in the year and provided a strong platform for future development.

DIVIDENDS

The results for the year are shown in the profit and loss account on page 5. Details of dividends proposed during the year are shown in note 7.

FIXED ASSETS

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 9.

DIRECTORS

The directors during the year under review were:

A E Jones
R M Jones
T E Jones
C C Jones

The beneficial interests of the directors holding office on 31st October 2004 in the issued share capital of the company were as follows:

	31.10.04	1.11.03
Ordinary £1 shares		
A E Jones	100	100
R M Jones	-	-
T E Jones	-	-
C C Jones	-	-
10% Redeemable Preference £1 shares		
A E Jones	12,837	12,837
R M Jones	-	-
T E Jones	-	-
C C Jones	-	-

GEOGRAPHICAL AREA

No branches of the company exist outside the United Kingdom.

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 VILLAGE BAKERY (COEDPOETH) LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST OCTOBER 2004

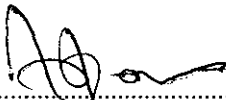
STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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, M. D. Coxey and Co. Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
A Jones - Secretary

Date: 29/4/05

REPORT OF THE INDEPENDENT AUDITORS TO
THE VILLAGE BAKERY (COEDPOETH) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages five to seventeen, together with the full financial statements of the company for the year ended 31st October 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

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.

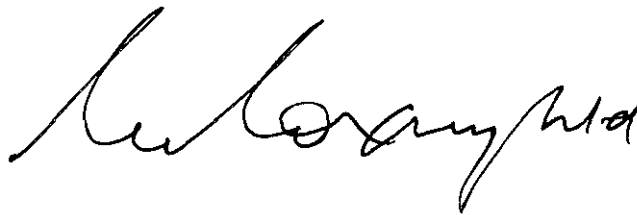
Basis of opinion

We have carried out the procedures we consider 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 five to seventeen are properly prepared in accordance with that provision.

M. D. Coxey and Co. Limited
Chartered Accountants
and Registered Auditors
25, Grosvenor Road
Wrexham
LL11 1BT



Date: 29.4.05.

THE VILLAGE BAKERY (COEDPOETH) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 2004

		31.10.04	31.10.03
	Notes	£	£
GROSS PROFIT		3,006,436	2,468,265
<i>Administrative expenses</i>		2,407,900	1,632,279
OPERATING PROFIT	3	598,536	835,986
Interest receivable and similar income		13,811	5,110
		612,347	841,096
Interest payable and similar charges	4	1,248	1,248
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		611,099	839,848
Tax on profit on ordinary activities	5	131,059	226,113
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		480,040	613,735
Dividends (including non-equity shares)	6	166,667	117,951
		313,373	495,784
Retained profit brought forward		2,363,105	1,867,321
RETAINED PROFIT CARRIED FORWARD		<u>£2,676,478</u>	<u>£2,363,105</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

THE VILLAGE BAKERY (COEDPOETH) LIMITED

ABBREVIATED BALANCE SHEET
31ST OCTOBER 2004

		31.10.04		31.10.03	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	7		16,045		18,336
Tangible assets	8		3,558,829		3,156,740
Investments	9		100		100
			<hr/>		<hr/>
			3,574,974		3,175,176
CURRENT ASSETS:					
Stocks	10	111,598		109,332	
Debtors	11	865,193		802,739	
Cash at bank		483,606		475,715	
			<hr/>		<hr/>
		1,460,397		1,387,786	
CREDITORS: Amounts falling due within one year	12	1,431,258		1,348,662	
			<hr/>		<hr/>
NET CURRENT ASSETS:			29,139		39,124
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES:			3,604,113		3,214,300
PROVISIONS FOR LIABILITIES AND CHARGES:	15		(226,114)		(203,068)
ACCRUALS AND DEFERRED INCOME:	16		(570,947)		(517,553)
			<hr/>		<hr/>
			£2,807,052		£2,493,679
			<hr/>		<hr/>

The notes form part of these abbreviated accounts


THE VILLAGE BAKERY (COEDPOETH) LIMITED

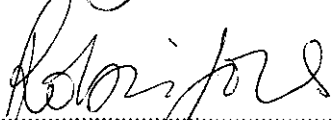
ABBREVIATED BALANCE SHEET
31ST OCTOBER 2004

		31.10.04		31.10.03	
	Notes	£	£	£	£
CAPITAL AND RESERVES:					
Called up share capital	17		13,137		13,137
Capital redemption reserve	18		117,437		117,437
Profit and loss account			2,676,478		2,363,105
SHAREHOLDERS' FUNDS					
(including non-equity interests):					
	22		£2,807,052		£2,493,679

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.

ON BEHALF OF THE BOARD:


.....
A E Jones - Director


.....
R M Jones - Director

Approved by the Board on 29/4/05

THE VILLAGE BAKERY (COEDPOETH) LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST OCTOBER 2004

		<u>31.10.04</u>	<u>31.10.03</u>
	Notes	£	£
Net cash inflow from operating activities	1	1,266,802	997,093
Returns on investments and servicing of finance	2	12,563	2,578
Taxation		(209,527)	(30,076)
Capital expenditure	2	(827,008)	(691,871)
Equity dividends paid		(283,334)	(361,809)
		(40,504)	(84,085)
Financing	2	48,395	372,318
Increase in cash in the period		£7,891	£288,233
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		7,891	288,233
Change in net funds resulting from cash flows		7,891	288,233
Movement in net funds in the period		7,891	288,233
Net funds at 1st November		475,715	187,482
Net funds at 31st October		£483,606	£475,715

The notes form part of these abbreviated accounts

THE VILLAGE BAKERY (COEDPOETH) LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST OCTOBER 2004

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31.10.04 £	31.10.03 £
Operating profit	598,536	835,986
Depreciation charges	420,245	345,364
Profit on sale of fixed assets	(2,153)	(1,648)
Amortisation of Government grants	(45,001)	(35,161)
Increase in stocks	(2,266)	(23,539)
Increase in debtors	(62,454)	(259,925)
Increase in creditors	359,895	136,016
Net cash inflow from operating activities	<u>1,266,802</u>	<u>997,093</u>

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.10.04 £	31.10.03 £
Returns on investments and servicing of finance		
Interest received	13,811	5,110
Interest element of hire purchase or finance lease rentals payments	(1,248)	(1,248)
Dividends paid on non-equity shares	-	(1,284)
Net cash inflow for returns on investments and servicing of finance	<u>12,563</u>	<u>2,578</u>
Capital expenditure		
Purchase of tangible fixed assets	(829,161)	(694,116)
Sale of tangible fixed assets	2,153	2,245
Net cash outflow for capital expenditure	<u>(827,008)</u>	<u>(691,871)</u>
Financing		
New loan taken out in year	-	241,206
Loan repayments in year	(50,000)	-
Government grants received	98,395	131,112
Net cash inflow from financing	<u>48,395</u>	<u>372,318</u>

The notes form part of these abbreviated accounts

THE VILLAGE BAKERY (COEDPOETH) LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST OCTOBER 2004

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.11.03 £	Cash flow £	At 31.10.04 £
Net cash:			
Cash at bank	475,715	7,891	483,606
	<u>475,715</u>	<u>7,891</u>	<u>483,606</u>
Total	<u>475,715</u>	<u>7,891</u>	<u>483,606</u>
Analysed in Balance Sheet			
Cash at bank	475,715		483,606
	<u>475,715</u>		<u>483,606</u>

THE VILLAGE BAKERY (COEDPOETH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 2004

1. **ACCOUNTING POLICIES**

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2000, is being written off evenly over its estimated useful life of twelve years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 20% on cost

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. The deferred tax balance has not been discounted.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a pension scheme for the benefit of directors. Under the terms of the scheme contributions are administered by trustees in funds managed by an insurance company. These funds are independent of the company's own assets.

Contributions are made to a group personal pension plan for the benefit of staff managed by an independent insurance company. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Government grants

Government grants received in respect of capital expenditure are credited to a reserve and amortised over the expected economic life of the assets concerned.

Government grants received in respect of revenue expenditure are credited to the profit and loss account in the period that the revenue and expenditure arises.

2. **STAFF COSTS**

	31.10.04	31.10.03
	£	£
Wages and salaries	2,696,379	2,159,647
Social security costs	280,638	212,842
Other pension costs	294,302	18,117
	<u>3,271,319</u>	<u>2,390,606</u>

THE VILLAGE BAKERY (COEDPOETH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 2004

2. **STAFF COSTS - continued**

The average monthly number of employees during the year was as follows:

	31.10.04	31.10.03
Production Staff	75	79
Administration Staff	12	11
Sales	74	66
	<u>161</u>	<u>156</u>

3. **OPERATING PROFIT**

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

	31.10.04	31.10.03
	£	£
Depreciation - owned assets	417,954	343,073
Profit on disposal of fixed assets	(2,153)	(1,648)
Goodwill written off	2,291	2,291
Auditors' remuneration	11,385	8,750
Operating lease rentals	51,253	55,894
Hire of plant & machinery	1,248	1,248
	<u>986,785</u>	<u>606,252</u>
Directors' emoluments	281,726	606,252
Directors' pension contributions to money purchase schemes	<u>281,726</u>	<u>6,123</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3	4
	<u>3</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	31.10.04	31.10.03
	£	£
Emoluments etc	303,962	163,053
Pension contributions to money purchase schemes	<u>-</u>	<u>2,388</u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.10.04	31.10.03
	£	£
Leasing	1,248	1,248
	<u>1,248</u>	<u>1,248</u>

THE VILLAGE BAKERY (COEDPOETH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 2004

5. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.10.04 £	31.10.03 £
Current tax:		
UK corporation tax	90,000	171,509
Adjustment in respect of earlier years	18,013	20,000
	<hr/>	<hr/>
Total current tax	108,013	191,509
Deferred taxation	23,046	34,604
	<hr/>	<hr/>
Tax on profit on ordinary activities	<u>131,059</u>	<u>226,113</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.10.04 £	31.10.03 £
Profit on ordinary activities before tax	<u>611,099</u>	<u>839,848</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003 - 30%)	183,330	251,954
Effects of:		
Non-allowable expenses	1,331	706
Depreciation	126,074	103,609
Capital allowances	(175,595)	(150,686)
Adjustments re prior periods	18,013	20,000
Adjustments re government grants	(13,500)	(12,081)
Other adjustments	(31,640)	(21,993)
	<hr/>	<hr/>
Current tax charge	<u>108,013</u>	<u>191,509</u>

6. **DIVIDENDS**

	31.10.04 £	31.10.03 £
Equity shares:		
Ordinary shares of £1 each		
Final: ordinary shares	<u>166,667</u>	<u>116,667</u>
Non-equity shares:		
10% Redeemable Preference shares of £1 each		
Final: preference shares	<u>-</u>	<u>1,284</u>
	<hr/>	<hr/>
	<u>166,667</u>	<u>117,951</u>

THE VILLAGE BAKERY (COEDPOETH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 2004

7. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
At 1st November 2003	
and 31st October 2004	27,500
AMORTISATION:	
At 1st November 2003	9,164
Charge for year	2,291
	<hr/>
At 31st October 2004	11,455
NET BOOK VALUE:	
At 31st October 2004	16,045
	<hr/>
At 31st October 2003	18,336
	<hr/>

8. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1st November 2003	1,394,230	3,143,251	129,005	770,696	5,437,182
Additions	15,472	693,182	13,825	97,564	820,043
Disposals	-	-	-	(37,015)	(37,015)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st October 2004	1,409,702	3,836,433	142,830	831,245	6,220,210
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION:					
At 1st November 2003	137,799	1,455,171	110,997	576,475	2,280,442
Charge for year	27,492	277,013	10,738	102,711	417,954
Eliminated on disposals	-	-	-	(37,015)	(37,015)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st October 2004	165,291	1,732,184	121,735	642,171	2,661,381
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:					
At 31st October 2004	1,244,411	2,104,249	21,095	189,074	3,558,829
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st October 2003	1,256,431	1,688,080	18,008	194,221	3,156,740
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE VILLAGE BAKERY (COEDPOETH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 2004

9. **FIXED ASSET INVESTMENTS**

	£	
COST:		
At 1st November 2003		
and 31st October 2004		100
		<u> </u>
NET BOOK VALUE:		
At 31st October 2004		100
		<u> </u>
At 31st October 2003		100
		<u> </u>
	31.10.04	31.10.03
	£	£
Unlisted investments	100	100
	<u> </u>	<u> </u>

The company owns the entire ordinary share capital of Village Puddin's 'n Pies Limited, a company incorporated in England & Wales, registered number 2048981. The company was dormant throughout the year and the capital and reserves at the end of its financial year, 31st October 2004, were £79,761 (2003: £79,761).

10. **STOCKS**

	31.10.04	31.10.03
	£	£
Raw materials & consumables	106,528	104,290
Finished goods and		
goods for resale	5,070	5,042
	<u> </u>	<u> </u>
	111,598	109,332
	<u> </u>	<u> </u>

11. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.10.04	31.10.03
	£	£
Trade debtors	800,015	679,841
Other debtors	37,632	95,951
Prepayments	27,546	26,947
	<u> </u>	<u> </u>
	865,193	802,739
	<u> </u>	<u> </u>

THE VILLAGE BAKERY (COEDPOETH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 2004

**12. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.10.04 £	31.10.03 £
Other loans (see note 13)	191,206	241,206
Trade creditors	282,629	206,263
Dividend proposed	-	116,667
Social security & other taxes	279,869	104,191
Amounts owed to group undertakings	79,761	79,761
Taxation	90,000	191,514
Accruals and deferred income	507,793	409,060
	<u>1,431,258</u>	<u>1,348,662</u>

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.10.04 £	31.10.03 £
Amounts falling due within one year or on demand:		
Other loans	<u>191,206</u>	<u>241,206</u>

The loan is repayable on demand and there is no interest payable on the amount.

14. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	31.10.04 £	31.10.03 £	31.10.04 £	31.10.03 £
Expiring:				
Within one year	3,035	3,035	-	-
Between one and five years	-	-	1,248	1,248
In more than five years	47,240	47,240	-	-
	<u>50,275</u>	<u>50,275</u>	<u>1,248</u>	<u>1,248</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	31.10.04 £	31.10.03 £
Deferred tax	<u>226,114</u>	<u>203,068</u>

THE VILLAGE BAKERY (COEDPOETH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 2004

15. **PROVISIONS FOR LIABILITIES AND CHARGES - continued**

	Deferred tax £
Balance at 1st November 2003	203,068
Unprovided in prior years	
Movement in the year due to:	
- changes in tax rates	
- changes in tax allowances	23,046
	<hr/>
Balance at 31st October 2004	226,114
	<hr/>

Deferred tax provision

Excess tax allowances over
depreciation of tangible
fixed assets

31.10.04 £	31.10.03 £
226,114	203,068
<hr/>	<hr/>
226,114	203,068
<hr/>	<hr/>

16. **ACCRUALS AND DEFERRED INCOME**

Deferred government grants
Brought forward
Received in year
Amortisation

31.10.04 £	31.10.03 £
517,553	421,602
98,395	131,112
(45,001)	(35,161)
<hr/>	<hr/>
570,947	517,553
<hr/>	<hr/>

17. **CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	31.10.04 £	31.10.03 £
300	Ordinary	£1	300	300
149,700	10% Redeemable Preference	£1	149,700	149,700
			<hr/>	<hr/>
			150,000	150,000
			<hr/>	<hr/>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.10.04 £	31.10.03 £
300	Ordinary	£1	300	300
12,837	10% Redeemable Preference	£1	12,837	12,837
			<hr/>	<hr/>
			13,137	13,137
			<hr/>	<hr/>

The non-voting preference shares are redeemable at par at the company's option.

THE VILLAGE BAKERY (COEDPOETH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 2004

18. **CAPITAL REDEMPTION RESERVE**

	31.10.04	31.10.03
	£	£
Brought forward	<u>117,437</u>	<u>117,437</u>

19. **PENSION COMMITMENTS**

The company operates two defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charges represent contributions payable by the company and amounted to £294,302 (2003: £18,118).

20. **CONTINGENT LIABILITIES**

The government grant may have to be repaid if certain conditions are not maintained for 5 years from the grant being received. The possibility of this is considered remote.

21. **CAPITAL COMMITMENTS**

	31.10.04	31.10.03
	£	£
Contracted but not provided for in the financial statements	<u>198,754</u>	<u>363,455</u>

22. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.10.04	31.10.03
	£	£
Profit for the financial year	480,040	613,735
Dividends	(166,667)	(117,951)
Net addition to shareholders' funds	<u>313,373</u>	<u>495,784</u>
Opening shareholders' funds	<u>2,493,679</u>	<u>1,997,895</u>
Closing shareholders' funds	<u><u>2,807,052</u></u>	<u><u>2,493,679</u></u>
Equity interests	2,794,215	2,480,842
Non-equity interests	12,837	12,837
	<u><u>2,807,052</u></u>	<u><u>2,493,679</u></u>

23. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Endeavour Investments Limited.