

JAMES BURDEN (HOLDINGS) LIMITED

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 JANUARY 1999

Registered Number : 1641959



MORGAN BROWN & SPOFFORTH
Chartered Accountants

JAMES BURDEN (HOLDINGS) LIMITED

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 1999

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JAMES BURDEN (HOLDINGS) LIMITED

REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

Mr J D Burden
Mr R Snelling
Mr J E Payne
Mr T Hussey
Mrs P E Burden
Mr A T Burden
Mr S Clarke

SECRETARY:

Mr T Hussey

REGISTERED OFFICE:

Hillreed House
60 College Road
Maidstone
Kent
ME15 6SJ

AUDITORS:

Morgan Brown & Spofforth
Chartered Accountants
82 St John Street
London
EC1M 4JN

BANKERS:

Lloyds Bank plc
Holborn Circus Branch
Travis Inn House
6 Holborn Circus
London
EC1 2HP

TSB Commercial Finance Limited
Boston House
The Little Green
Richmond
Surrey
TW9 1QE

SOLICITORS:

Hamlin Slowe
P O Box 4SQ
Roxburghe House
273-287 Regent Street
London
W1A 4SQ

JAMES BURDEN (HOLDINGS) LIMITED**REPORT AND FINANCIAL STATEMENTS 1999****CHAIRMAN'S STATEMENT**

The Group commenced trading in 1974, with the formation of James Burden Limited and in this, the silver jubilee, I feel that a statement charting our progress is appropriate. In our first year, our turnover was £571,554 and the net profits were £5,757. We had a staff of 4, all operating from one shop on Smithfield Market and primarily trading in Game. Progress in those first few years was slow, but steady and by 1982 we had turnover of approximately £9,000,000, mainly poultry and poultry products, and had accumulated reserves of approximately £250,000. We had 49 employees and a wage bill of £298,000. Our operations extended to 2 shops at Smithfield, and a distribution depot at Sevenoaks. 1982 marks the formation of this company and the beginnings of diversification. Our first acquisition was the Cock Tavern, a very popular choice, but not one that contributed to the growth or financial strengths of the Group.

In 1985 we acquired Dover Ship Stores Limited, then a small company providing services to Townsend Thorenson and Sealink from antiquated premises in Manor Road, Dover. It had turnover of £3,500,000 a sandwich and loss making subsidiary in Sittingbourne, no working capital and poor prospects. By 1986, we had lost the Sealink contract, closed the sandwich operations and accumulated substantial losses. We commenced the Food Services operation in the same year, which undoubtedly added to the costs but provided the base from which recovery was possible. Turnover in 1986 was approximately £2,000,000 and I prefer to forget the figure for losses.

Since then the group has obviously had it's ups and downs, but the path has been progressively upwards. Today we operate from modern facilities at Smithfield, Dover, Sittingbourne, Fareham, Maidstone and Dublin, with a delivery fleet of some 30 temperature controlled vehicles and, as is shown in the attached accounts, 135 employees.

By the end of this year, Group turnover will be in excess of £50,000,000 and Group profits in excess of £500,000 for the first time. Our product range extends to some 4000 items, many with limited shelf life, and includes such diverse items as fresh eggs and ships' pumps. For the year ending 31 January 2001, we believe that a turnover of £60,000,000 and profits of £1,000,000 are achievable, though it will require maximum effort from management and staff. I know I can rely on them to give it.

I cannot finish without thanking those who have contributed to our success especially the management and staff, but also the bankers who have supported us in good times and in bad, the accountants and solicitors for their advice, our customers and suppliers and everybody else who has assisted me and the company in these last 25 years.

J D Burden
Chairman

19 October 1999



JAMES BURDEN (HOLDINGS) LIMITED**DIRECTORS' REPORT**

The directors present their report together with the consolidated financial statements for the year ended 31 January 1999.

Principal Activities and Review of the Business

The company's principal activity during the year continued to be that of a holding company, providing certain administrative services to companies in the group.

The group's principal activities during the year continued to be that of wholesaling and distribution of poultry, meat, game and prepared foodstuffs.

Oversupply in the meat and poultry markets continues, and the increased volumes traded are not fully reflected in the turnover achieved. Margins were maintained.

Increased investment in staff and facilities have contributed to significant improvements in both turnover and margins in prepared foods. Investment will be continued in the current period.

The directors consider the present position to be satisfactory.

Results and Dividends

The consolidated results for the year are set out on page 6.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £232,938 is transferred to reserves.

Change of Name

As of 13 May 1999 the name of James Burden (Holdings) Limited was changed to The Burden Group Limited.

Fixed Assets

The significant changes in fixed assets during the year are explained in note 10 to the financial statements.

Post Balance Sheet Event

Since the year end James Burden Limited which is a 100% subsidiary of James Burden (Holdings) Limited has acquired the assets and undertakings of Fortescues of Smithfield Limited, a long established trader on Smithfield Market. The acquisition will enable the company to expand its activities in this area.

Directors and their Interests

The directors who held office during the year together with their beneficial interests in the issued share capital of the company were as follows:

	Ordinary shares of £1 each	
	1999	1998
Mr J D Burden	114,349	114,015
Mrs P E Burden	63,285	64,285
Mr J E Payne	18,182	18,182
Mr R Snelling	10,425	10,092
Mr A T Burden	8,785	8,785
Mr T Hussey	5,726	5,393
Mr S Clarke	1,500	1,500

Directors' Insurance

The company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the company.

JAMES BURDEN (HOLDINGS) LIMITED**DIRECTORS' REPORT (CONTINUED)****Year 2000 and the Euro**

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption.

The group has considered plans to ensure a smooth transition during this period and the directors' believe that the cost to the group of implementation will amount to approximately £110,000, split across the trading subsidiaries as follows:-

	CAPITAL EXPENDITURE	REVENUE EXPENDITURE	TOTAL
	£	£	£
James Burden Limited	50,000	20,000	70,000
Dover Ship Stores Limited	<u>10,000</u>	<u>30,000</u>	<u>40,000</u>
	<u>60,000</u>	<u>50,000</u>	<u>110,000</u>

The group has also undertaken a review to ensure a smooth transition for the introduction of the Euro and the cost of preparing for this event is not expected to be significant for the group.

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 group and of the profit or loss of the company and of the group 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;
- follow applicable accounting standards, 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 of the group and enable them to ensure that the financial statements comply with the Companies Act 1985, as amended. They are also responsible for safeguarding the assets of the company and of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Morgan Brown & Spofforth, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Registered Office:
Hillreed House
60 College Road
Maidstone
Kent
ME15 6SJ

By order of the board



T Hussey
Secretary

Date: 19 October 1999

AUDITORS REPORT TO THE SHAREHOLDERS OF

JAMES BURDEN (HOLDINGS) LIMITED

We have audited the consolidated financial statements on pages 6 to 20 which have been prepared under the historical cost convention, and on the basis of the accounting policies set out on pages 10 and 11.

Respective Responsibilities of Directors and Auditors

As described on page 3, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those consolidated financial 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 consolidated financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

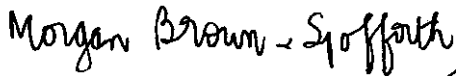
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity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

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and of the group as at 31 January 1999 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

82 St John Street
London
EC1M 4JN

Date: 19 October 1999


MORGAN BROWN & SPOFFORTH
Chartered Accountants
Registered Auditor

JAMES BURDEN (HOLDINGS) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 1999

		1999	1998
	Notes	£	£
Turnover	2	41,479,975	40,994,103
Cost of sales		<u>(36,976,021)</u>	<u>(37,070,573)</u>
Gross profit		4,503,954	3,923,530
Distribution costs		(2,510,939)	(1,949,481)
Administrative expenses		<u>(1,492,924)</u>	<u>(1,433,302)</u>
Operating profit		500,091	540,747
Income from other fixed asset investments	3	27	24
Interest receivable and similar income	3	4,154	4,424
Interest payable and similar charges	4	<u>(177,277)</u>	<u>(123,698)</u>
Profit on ordinary activities before taxation	5	326,995	421,497
Tax on profit on ordinary activities	8	<u>(94,057)</u>	<u>(115,635)</u>
Profit on ordinary activities after taxation and profit for the financial year	21	<u>232,938</u>	<u>305,862</u>

Continuing Operations

The turnover and operating profit derive from continuing operations.

None of the company's or the group's activities were discontinued during the above two financial years.

Total Recognised Gains and Losses

The group has no recognised gains or losses other than the profits stated above.

Historical Cost Equivalents

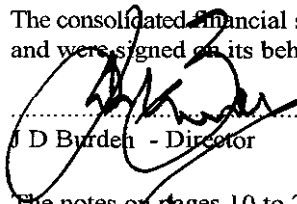
There is no difference between the profit reported above and the equivalent profit calculated on an unmodified historical cost basis.

The notes on pages 10 to 20 form part of these consolidated financial statements.

JAMES BURDEN (HOLDINGS) LIMITED**CONSOLIDATED BALANCE SHEET****AS AT 31 JANUARY 1999**

		1999		1998	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	10		1,049,687		930,661
Land held for development	11		100,000		100,000
Investments	12		<u>3,525</u>		<u>3,525</u>
			1,153,212		1,034,186
Current Assets					
Stocks	13	1,029,052		859,016	
Debtors	14	4,481,669		3,831,005	
Cash at bank and in hand		<u>400,088</u>		<u>247,684</u>	
		5,910,809		4,937,705	
Creditors: amounts falling due within one year	15	<u>(5,180,611)</u>		<u>(4,327,225)</u>	
Net Current Assets			<u>730,198</u>		<u>610,480</u>
Total Assets less Current Liabilities			1,883,410		1,644,666
Creditors: amounts falling due after more than one year	16		(331,119)		(315,945)
Provision for liabilities and charges	17		<u>(5,963)</u>		<u>(15,331)</u>
Net Assets			<u>1,546,328</u>		<u>1,313,390</u>
Capital and Reserves					
Called up share capital	19		250,000		250,000
Share premium account	20		67,464		67,464
Profit and loss account	21		<u>1,228,864</u>		<u>995,926</u>
Shareholders' Funds (equity interests only)	22		<u>1,546,328</u>		<u>1,313,390</u>

The consolidated financial statements on pages 6 to 20 were approved by the board of directors on the date shown below and were signed on its behalf by:


J D Burden - Director

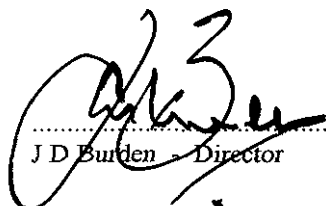
Date: 19 October 1999

The notes on pages 10 to 20 form part of the consolidated financial statements.

JAMES BURDEN (HOLDINGS) LIMITED**COMPANY BALANCE SHEET****AS AT 31 JANUARY 1999**

		1999		1998	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	10		83,636		32,051
Land held for development	11		100,000		100,000
Investments	12		<u>196,131</u>		<u>196,131</u>
			379,767		328,182
Current Assets					
Debtors	14	457,644		449,866	
Cash at bank and in hand		<u>21,679</u>		<u>-</u>	
		479,323		449,866	
Creditors: amounts falling due within one year	15	<u>(456,603)</u>		<u>(426,058)</u>	
Net Current Assets			<u>22,720</u>		<u>23,808</u>
Total Assets less Current Liabilities			402,487		351,990
Creditors: amounts falling due after more than one year			<u>(18,617)</u>		<u>-</u>
Net Assets			<u>383,870</u>		<u>351,990</u>
Capital and Reserves					
Called up share capital	19		250,000		250,000
Share premium account	20		67,464		67,464
Profit and loss account	21		<u>66,406</u>		<u>34,526</u>
Shareholders' Funds - (equity interests only)	22		<u>383,870</u>		<u>351,990</u>

The financial statements on pages 6 to 20 were approved by the board of directors on the date shown below and were signed on its behalf by:



J D Burden - Director

Date: 19 October 1999

The notes on pages 10 to 20 form part of the consolidated financial statements.

JAMES BURDEN (HOLDINGS) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 1999

		1999		1998	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	27		(3,487)		1,368,406
Returns on investments and servicing of finance					
Interest received		4,154		4,424	
Interest paid		(148,965)		(101,399)	
Hire purchase interest paid		(28,312)		(22,299)	
Dividends received		<u>27</u>		<u>24</u>	
Net cash outflow from returns on investments and servicing of finance			(173,096)		(119,250)
Taxation					
Corporation tax paid			(155,777)		(135,545)
Capital Expenditure and Financial Investments					
Payments to acquire tangible fixed assets		(449,260)		(591,985)	
Receipts from sales of tangible fixed assets		<u>43,050</u>		<u>89,035</u>	
Net cash outflow from investing activities			(406,210)		(502,950)
Net cash (outflow)/inflow before financing			(738,570)		610,661
Financing					
New long term bank loan		-		195,246	
Repayment of long term bank loan		(3,124)		-	
Net increase in capital element of hire purchase obligations		<u>514</u>		<u>16,249</u>	
Net cash (outflow)/inflow from financing			(2,610)		211,495
(Decrease)/increase in cash	28		(741,180)		822,156

The notes on pages 10 to 20 form part of the consolidated financial statements.

JAMES BURDEN (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JANUARY 1999****1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's consolidated financial statements.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention and in accordance with applicable statements of Standard Accounting Practice and Financial Reporting Standards.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiary undertakings, made up to 31 January 1999, which have been consolidated on the acquisition basis from the date of acquisition.

Fixed assets and depreciation

Depreciation is provided by the group to write off the cost of tangible fixed assets over their estimated useful economic lives as follows:

Long leasehold property	- 2% per annum
Short leasehold property	- Variable rates over the life of the lease
Plant and machinery	- 10% to 50% straight line
Motor vehicles	- 25% straight line

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Goodwill arising on consolidation

Goodwill arising on consolidation of subsidiary companies is written off to reserves in accordance with the accounting policies of the company.

Foreign currencies

Transactions in foreign currencies are converted into sterling using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted into sterling using the rate of exchange ruling at the balance sheet date. Gains or losses on foreign currency transactions are included in the profit and loss account.

Finance leases and hire purchase agreements

Assets acquired under finance lease and hire purchase contracts are capitalised and depreciated in accordance with the provisions of SSAP 21. The related obligations, net of future finance charges, are included in creditors. The related finance charges are charged to the profit and loss account proportionally over the length of the respective finance agreements.

Rental charges on leases accounted for as 'operating leases' as defined by SSAP 21, are charged to the profit and loss account in the period incurred.

Pension costs

The group contributes to a defined contribution schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

JAMES BURDEN (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1999****1. ACCOUNTING POLICIES (Continued)****Stocks**

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2. TURNOVER

Turnover represents the amounts, excluding Value Added Tax, from the provision of goods and services to customers during the year.

	1999	1998
Turnover by geographical market		
UK	36,694,267	34,392,975
EEC	<u>4,785,708</u>	<u>6,601,128</u>
	<u>41,479,975</u>	<u>40,994,103</u>

3. INCOME FROM OTHER FIXED ASSET INVESTMENTS AND INTEREST RECEIVABLE AND SIMILAR CHARGES

	1999 £	1998 £
Income from listed investments	<u>27</u>	<u>24</u>
Bank interest received	<u>4,154</u>	<u>4,424</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
Interest payable on bank loans and overdrafts	148,965	101,288
Interest payable on hire purchase contracts	28,312	22,299
On overdue tax	<u>-</u>	<u>111</u>
	<u>177,277</u>	<u>123,698</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1999 £	1998 £
Profit on ordinary activities before taxation is stated after charging and crediting:		
Directors' emoluments	539,433	421,788
Auditors' remuneration	30,000	30,000
Depreciation on tangible fixed assets	307,912	250,623
Profit on disposal of fixed assets	(20,728)	(16,691)
Loss on valuation of fixed assets	-	75,000
Operating lease rentals:		
- Plant and machinery	24,723	18,377
- Land and buildings	397,359	353,194
Hire of plant and machinery	21,698	19,775
Profit on foreign currency transactions	<u>-</u>	<u>(3,159)</u>

JAMES BURDEN (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1999****6. STAFF COSTS AND NUMBER OF EMPLOYEES**

	1999	1998
	£	£
Aggregate staff costs, including directors, were as follows:		
Wages and salaries	2,287,949	1,885,701
Social security costs	222,233	173,500
Other pension costs	<u>136,081</u>	<u>109,647</u>
	<u>2,646,263</u>	<u>2,168,848</u>

	No.	No.
The average monthly number of employees, including directors, during the year was:		
Office and management	29	29
Sales and distribution	<u>106</u>	<u>85</u>
	<u>135</u>	<u>114</u>

7. DIRECTORS' EMOLUMENTS

	1999	1998
	£	£
Aggregate emoluments	541,387	376,450
Pension contributions	<u>60,987</u>	<u>45,338</u>
	<u>602,374</u>	<u>421,788</u>

There are 7 (1998 - 6) directors to whom benefits are accruing in respect of the defined contribution schemes operated by the company.

Emoluments disclosed above are all receivable from the company and include amounts paid to:

The highest paid director		
- Aggregate emoluments	128,386	102,200
- Pension contributions	<u>18,000</u>	<u>16,500</u>
	<u>146,386</u>	<u>118,700</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999	1998
	£	£
Current year taxation		
Corporation tax at 31% (1998 - 31%)	89,174	149,705
Foreign tax	8,176	-
Transfer from deferred taxation provision	<u>(9,369)</u>	<u>(17,330)</u>
	87,981	132,375
Prior Years		
Corporation tax - (overprovision)/underprovision	<u>6,076</u>	<u>(16,740)</u>
	<u>94,057</u>	<u>115,635</u>

JAMES BURDEN (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1999****9. PROFIT OF PARENT COMPANY**

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not appended to these accounts.

The parent's profit for the financial year amounted to £31,880 (1998 - £14,880).

10. TANGIBLE FIXED ASSETS

The Group	Land & Buildings £	Plant and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 February 1998	366,449	1,202,937	431,964	2,001,350
Additions	35,502	144,424	269,334	449,260
Disposals	<u>(3,492)</u>	<u>(133,541)</u>	<u>(112,433)</u>	<u>(249,466)</u>
At 31 January 1999	<u>398,459</u>	<u>1,213,820</u>	<u>588,865</u>	<u>2,201,144</u>
Depreciation				
At 1 February 1998	57,268	809,761	203,660	1,070,689
Eliminated on disposals	(3,492)	(131,977)	(91,675)	(227,144)
Charge for the year	<u>17,048</u>	<u>165,268</u>	<u>125,596</u>	<u>307,912</u>
At 31 January 1999	<u>70,824</u>	<u>843,052</u>	<u>237,581</u>	<u>1,151,457</u>
Net Book Value				
At 31 January 1999	<u>327,635</u>	<u>370,768</u>	<u>351,284</u>	<u>1,049,687</u>
At 31 January 1998	<u>309,181</u>	<u>393,176</u>	<u>228,304</u>	<u>930,661</u>

At 31 January 1999, amounts of £28,765 and £298,870 are included within the net book value of land and buildings relating to freehold and leasehold land and buildings respectively.

Included within leasehold land and buildings are amounts of £270,573 and £28,297 relating to long and short term leasehold property respectively.

JAMES BURDEN (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1999****10. TANGIBLE FIXED ASSETS (Continued)**

The Company	Short Leasehold Property £	Plant and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 February 1998	24,807	5,170	56,245	86,222
Additions	-	2,133	81,000	83,133
Disposals	-	(2,529)	(42,500)	(45,029)
At 31 January 1999	<u>24,807</u>	<u>4,774</u>	<u>94,745</u>	<u>124,326</u>
Depreciation				
At 1 February 1998	15,502	2,445	36,224	54,171
On disposals	-	(2,529)	(33,077)	(35,606)
Charge for the year	<u>1,240</u>	<u>2,302</u>	<u>18,581</u>	<u>22,123</u>
At 31 January 1999	<u>16,742</u>	<u>2,218</u>	<u>21,728</u>	<u>40,688</u>
Net Book Value				
At 31 January 1999	<u>8,065</u>	<u>2,556</u>	<u>73,017</u>	<u>83,638</u>
At 31 January 1998	<u>9,305</u>	<u>2,725</u>	<u>20,021</u>	<u>32,051</u>

Included above are assets held under hire purchase contracts.

The net book value and depreciation charged for the year of assets held under hire purchase contracts is as follows:

	1999		1998	
	The Company		The Company	
	Net Book Value £	Depreciation Charge £	Net Book Value £	Depreciation Charge £
Motor vehicles	<u>32,094</u>	<u>7,406</u>	<u>-</u>	<u>-</u>
	1999		1998	
	The Group		The Group	
	Net Book Value £	Depreciation Charge £	Net Book Value £	Depreciation Charge £
Plant and equipment	52,719	18,016	118,321	27,719
Motor vehicles	<u>224,342</u>	<u>82,599</u>	<u>175,277</u>	<u>54,207</u>
	<u>277,061</u>	<u>100,615</u>	<u>293,598</u>	<u>81,926</u>

JAMES BURDEN (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1999****11. LAND HELD FOR DEVELOPMENT**

	1999 £	1998 £
Valuation	100,000	200,000
Disposals	-	(25,000)
Revaluation	<u>-</u>	<u>(75,000)</u>
	<u>100,000</u>	<u>100,000</u>

Land held for development was valued at 31 July 1995 at open market value on the basis of existing use at £235,000 by Messrs. Bax Standen, Chartered Surveyors. Disposals, undertaken at a loss, led the directors to believe that this valuation may have been overstated, and accordingly a provision of £75,000 was made against this asset.

12. FIXED ASSET INVESTMENTS

	1999 £	1998 £
The Group		
Listed investments	595	595
Unlisted investments	<u>2,930</u>	<u>2,930</u>
	<u>3,525</u>	<u>3,525</u>

The market value of the listed investments at 31 January 1999 was £867 (1997 - £709).

The Company

	Listed £	Unlisted £	Shares in Group Undertakings £	Total £
Cost				
At 1 February 1998 and at 31 January 1999	<u>595</u>	<u>2,930</u>	<u>192,606</u>	<u>196,131</u>

Group companies held are:

	Principal Activity	Class Held	% Held
James Burden Limited	Poultry Wholesale	Ordinary	100%
Dover Ship Stores Limited	Foodstuff Wholesale	Ordinary	100%
Cavendish Farm Foods Limited	Dormant	Ordinary	100%
Cavendish Foods Limited	Dormant	Ordinary	100%
Southern Ship Stores Limited	Dormant	Ordinary	100%

All the above companies are registered in England and Wales and are included in the consolidated group financial statements.

JAMES BURDEN (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1999****13. STOCKS**

	1999 £	1998 £
Goods for resale	<u>1,029,052</u>	<u>859,016</u>

The replacement cost of stocks is not materially different from the balance sheet amount.

14. DEBTORS

	Group		Company	
	1999 £	1998 £	1999 £	1998 £
Trade debtors	4,131,707	3,624,107	-	-
Loans to directors	5,000	5,000	5,000	5,000
Amounts owed by group undertakings	-	-	412,748	403,514
Other debtors	113,616	89,898	39,896	41,352
Prepayments and accrued income	<u>231,346</u>	<u>112,000</u>	-	-
	<u>4,481,669</u>	<u>3,831,005</u>	<u>457,644</u>	<u>449,866</u>

15. CREDITORS: Amounts falling due within one year

	Group		Company	
	1999 £	1998 £	1999 £	1998 £
Bank loan and overdrafts	1,346,198	468,614	-	11,078
Trade creditors	3,345,837	3,367,388	-	-
Amounts owed to group undertakings	-	-	375,416	321,352
Corporation tax	97,350	149,700	7,600	42,500
Social security and other taxes	69,564	53,072	44,161	39,359
Other creditors	9,224	1,473	9,224	1,473
Net obligations under hire purchase contracts	107,914	109,698	11,525	-
Accruals and deferred income	<u>204,524</u>	<u>177,280</u>	<u>8,677</u>	<u>10,296</u>
	<u>5,180,611</u>	<u>4,327,225</u>	<u>456,603</u>	<u>426,058</u>

Included within bank overdrafts is an amount of £1,341,614 (1998 - £342,760) secured by a fixed and floating charge on the assets of the group.

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

	Group		Company	
	1999 £	1998 £	1999 £	1998 £
Bank loan	187,638	174,762	-	-
Net obligations under hire purchase contracts	<u>143,481</u>	<u>141,183</u>	<u>18,617</u>	-
	<u>331,119</u>	<u>315,945</u>	<u>18,617</u>	-
Bank loan	192,222	195,346	-	-
Not wholly repayable within five years by installments	(4,584)	(20,584)	-	-
Included in current liabilities	<u>187,638</u>	<u>174,762</u>	-	-
Installments not due within five years	<u>165,000</u>	<u>92,426</u>	-	-

The bank loan is secured by a fixed charge on the property to which it relates.

JAMES BURDEN (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1999****16. CREDITORS: Amounts falling due after more than one year (continued)**

The bank loan is repayable over 20 years at an interest rate of 2% above base rate.

Net obligations under hire purchase contracts:

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Repayable within one year	125,862	127,724	14,034	-
Repayable between two and five years	<u>155,273</u>	<u>155,379</u>	<u>19,881</u>	-
	281,135	283,103	33,915	-
Finance charges allocated to future accounting periods	<u>(29,740)</u>	<u>(32,222)</u>	<u>(3,773)</u>	-
	251,395	250,881	30,142	-
Included in current liabilities	<u>(107,914)</u>	<u>(109,698)</u>	<u>(11,525)</u>	-
	<u>143,481</u>	<u>141,183</u>	<u>18,617</u>	-

Obligations under hire purchase contracts are secured on the assets to which they relate.

17. PROVISIONS FOR LIABILITIES AND CHARGES

Full provision is made for potential amounts of deferred tax.

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Accelerated capital allowances	<u>5,963</u>	<u>15,331</u>	-	-

Movements on the provision for deferred taxation are:

	Group	Company
	£	£
At 1 February 1998	15,331	-
Transferred to profit and loss account	<u>(9,368)</u>	-
At 31 January 1999	<u>5,963</u>	-

18. PENSION COSTS

The group contributes to money purchase schemes for its directors and staff. The contribution rates are either 4% of relevant earnings or are discretionary. The cost to the group is given in note 6 to the financial statements.

The cost of operating the schemes on behalf of other group companies is recharged.

JAMES BURDEN (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1999****19. SHARE CAPITAL**

	1999 £	1998 £
Authorised 500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid 250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

20. SHARE PREMIUM ACCOUNT

	1999 £	1998 £
Balance brought forward at 1 February 1998 and carried forward at 31 January 1999	<u>67,464</u>	<u>67,464</u>

21. PROFIT AND LOSS ACCOUNT

	The Group £	The Company £
Retained profits at 1 February 1998	995,926	34,526
Retained profit for the year	<u>232,938</u>	<u>31,880</u>
Retained profits at 31 January 1999	<u>1,228,864</u>	<u>66,406</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
The Group		
Profit for the financial year after taxation	232,938	305,862
Opening shareholders' funds	<u>1,313,390</u>	<u>1,007,528</u>
Closing shareholders' funds	<u>1,546,328</u>	<u>1,313,390</u>
The Company		
Profit for the financial year after taxation	31,880	14,880
Opening shareholders' funds	<u>351,990</u>	<u>337,110</u>
Closing shareholders' funds	<u>383,870</u>	<u>351,990</u>

JAMES BURDEN (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1999****23. CONTINGENT LIABILITIES**

The group has a contingent liability in respect of a specific counter indemnity in the amount of £25,000, given in respect of the removal of goods from bonded storage without payment of duty.

The company is a party to cross guarantees given in respect of overdraft and loan facilities to the group. The amount outstanding under this arrangement is shown in note 15 of these financial statements.

24. FINANCIAL COMMITMENTS

At 31 January 1999 the group had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	1999	1998	1999	1998
	£	£	£	£
Expiry date:				
Within one year	115,000	118,000	-	-
Between two to five years	88,000	32,000	26,000	22,189
Over five years	<u>156,100</u>	<u>98,000</u>	<u>-</u>	<u>-</u>
	<u>359,100</u>	<u>248,000</u>	<u>26,000</u>	<u>22,189</u>

25. CAPITAL COMMITMENTS

	1999	1998
	£	£
Details of the group capital commitments at the accounting date are as follows:		
Authorised and contracted for	931,945	-
Authorised but not contracted for	<u>137,100</u>	<u>900,000</u>
	<u>1,069,045</u>	<u>900,000</u>

26. CONTROL

No one person has overall control of the company or the group.

27. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1999	1998
	£	£
Operating profit	500,091	540,747
Depreciation of tangible fixed assets	307,913	250,623
Profit on disposal of tangible fixed assets	(20,728)	(16,691)
Diminution in value of tangible fixed assets	-	75,000
Increase in stocks	(170,036)	(150,891)
Increase in debtors	(650,664)	(304,950)
Increase in creditors due within one year	<u>29,937</u>	<u>974,568</u>
Net cash (outflow)/inflow from operating activities	<u>(3,487)</u>	<u>1,368,406</u>

JAMES BURDEN (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1999****28. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT**

	1999 £	1998 £
(Decrease)/increase in cash in the year	(741,180)	822,156
Cash outflow from increase in hire purchase contracts	<u>(516)</u>	<u>(16,249)</u>
Movement in net debt in the year	(741,696)	805,907
Net debt at 1 February 1998	<u>(451,226)</u>	<u>(1,257,133)</u>
Net debt at 31 January 1999	<u><u>(1,192,922)</u></u>	<u><u>(451,226)</u></u>

29. ANALYSIS OF CHANGES IN NET DEBT

	At 1 February 1998 £	Cashflow £	Other non cash changes £	At 31 January 1999 £
Cash at bank and in hand	247,684	152,404	-	400,088
Bank overdrafts	(448,029)	(893,584)	-	(1,341,613)
Hire purchase agreements	<u>(250,881)</u>	<u>143,919</u>	<u>(144,435)</u>	<u>(251,397)</u>
	<u><u>(451,226)</u></u>	<u><u>(597,261)</u></u>	<u><u>(144,435)</u></u>	<u><u>(1,192,922)</u></u>

30. POST BALANCE SHEET EVENT

Since the year end James Burden Limited has acquired the assets and undertakings of Fortescues of Smithfield Limited. The overall financial effect of this acquisition is not practicable to estimate although it is considered that the acquisition will enable James Burden Limited to expand its activities considerably.

31. RELATED PARTY TRANSACTIONS

As at 31 January 1999 an amount of £29,500 was owed to the company by Robert Crabb & Co, a company with which Mr S Clarke was formerly associated. The maximum amount outstanding during the year and the amount outstanding at 31 January 1998 was £36,500.

As at 31 January 1999 an amount of £5,000 was owed by T Hussey, a director of James Burden (Holdings) Limited. The maximum amount of the loan during the year and the balance at 31 January 1998 was £5,000.

At the year end, £412,748 (1998 - £403,514) was due from Dover Ship Stores Limited to the company and £375,416 (1998 - £321,352) was due to James Burden Limited from the company.

The group has taken advantage of the exemption available to it in that transactions between the parent company and the 100% subsidiaries have not been disclosed.