

1952298

CEAS Consultants (Wye) Limited
Report and Accounts

31 March 1999



ERNST & YOUNG

CEAS Consultants (Wye) Limited

Registered number 1952298

DIRECTORS

H W Biggs
G J Brookes
A E Buckwell
C Caspari
D J Corbett
M Hobbs
H B Lowe
H A Williams - resigned 11 November 1998

SECRETARY

Mrs H A Williams - resigned 11 November 1998
L D Fairall - appointed 11 November 1998

AUDITORS

Ernst & Young
100 Barbirolli Square
Manchester
M2 3EY

BANKERS

National Westminster Bank Plc
15 Bishopsgate
London
EC2P 2AP

SOLICITORS

Wedlake Bell
16 Bedford Street
Covent Garden
London
WC2E 9HF

REGISTERED OFFICE

Westmere Drive
Crewe
Cheshire
CW1 6ZY

CEAS Consultants (Wye) Limited

DIRECTORS' REPORT

The directors present their report together with the audited accounts for the year ended 31 March 1999.

PRINCIPAL ACTIVITIES

The group are consultants and advisers in the field of economic research for the food and agriculture industries.

BUSINESS REVIEW

There was a profit for the year after taxation amounting to £168,128 (1998 £76,639). The directors recommend the payment of a dividend of £12 per share amounting to £132,000 (1998 £66,639) and the retained profit has been transferred to reserves.

DIRECTORS' INTERESTS

None of the directors had an interest in the shares of the company except:

- i) A E Buckwell and H B Lowe who are the representatives of Wye College (University of London) which holds 2,000 Ordinary shares in the company.
- ii) M Hobbs is the representative of Agra (Europe) London Limited which holds 2,000 Ordinary shares in the company.

The interests of the directors who held shares in other group undertakings at 31 March 1999 and 1 April 1998 were as follows:

	<i>Produce Studies Group Limited</i>	
	<i>Ordinary shares</i>	
	<i>31 March 1999</i>	<i>1 April 1998</i>
H W Biggs	-	188,000
D J Corbett	-	188,000
C Caspari	-	12,000
G J Brookes	-	3,000
H A Williams - resigned 11 November 1998	-	-

The interests of the directors in the shares of the immediate parent undertaking, Produce Studies Group Limited are shown in that company's accounts. No director had any interest in the share capital of the ultimate parent undertaking, Genus plc, during the period.

YEAR 2000 COMPLIANCE

A company-wide programme, designed to address the impact of the Year 2000 on our business, has been commissioned by the Board and is under way. Resources have been allocated and the Board receives regular reports on progress.

Given the complexity of the problem, it is not possible for any organisations to guarantee that no Year 2000 problems will remain, because at least some level of failure may still occur. However, the Board believes that it will achieve an acceptable state of readiness and has also provided resources to deal promptly with significant subsequent failures or issues that might arise.

CEAS Consultants (Wye) Limited

DIRECTORS' REPORT

AUDITORS

During the year Grant Thornton were replaced by Ernst & Young who offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

By order of the board



L D Fairall
Secretary

6 JUL 1999

CEAS Consultants (Wye) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of CEAS Consultants (Wye) Limited

We have audited the accounts on pages 7 to 18, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

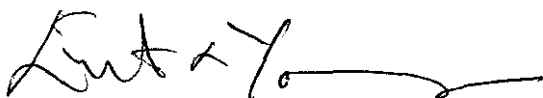
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

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



Ernst & Young
Registered Auditor

20/9/99.

CEAS Consultants (Wye) Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1999

	Notes	1999 £	1998 £
TURNOVER	2	2,132,876	1,630,896
Cost of sales		(1,288,419)	(828,308)
GROSS PROFIT		844,457	802,588
Distribution costs		(393,944)	(398,564)
Administrative expenses		(240,490)	(244,413)
		210,023	159,611
Other operating income		16,453	1,815
OPERATING PROFIT		226,476	161,426
Interest receivable		6,722	2,439
Interest payable	4	(4,519)	(25,821)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	228,679	138,044
Tax on profit on ordinary activities	5	(60,551)	(61,405)
PROFIT FOR THE FINANCIAL YEAR	7	168,128	76,639
Ordinary dividend on equity shares	6	(132,000)	(66,639)
PROFIT TRANSFERRED TO RESERVES	14	36,128	10,000

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 March 1999

	1999 £	1998 £
Profit for the financial year	168,128	76,639
Exchange difference on retranslation of net investment of subsidiary undertaking	(3,180)	(2,125)
	164,948	74,514

CEAS Consultants (Wye) Limited

CONSOLIDATED BALANCE SHEET as at 31 March 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Intangible assets	8	5,829	9,010
Tangible assets	9	18,355	25,807
		<u>24,184</u>	<u>34,817</u>
CURRENT ASSETS			
Debtors	11	1,099,452	645,479
Cash at bank and in hand		84,422	474,553
		<u>1,183,874</u>	<u>1,120,032</u>
CREDITORS: amounts falling due within one year	12	(1,053,396)	(1,033,135)
NET CURRENT ASSETS		<u>130,478</u>	<u>86,897</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>154,662</u>	<u>121,714</u>
CAPITAL AND RESERVES			
Called up share capital	13	11,000	11,000
Share premium account	14	30,318	30,318
Profit and loss account	14	113,344	80,396
Equity shareholders' funds	15	<u>154,662</u>	<u>121,714</u>

These accounts were approved by the board of directors on - 6 JUL 1999

G Brookes
Director

CEAS Consultants (Wye) Limited

COMPANY BALANCE SHEET

as at 31 March 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Investments	10	61,896	61,896
Tangible assets	9	10,628	13,470
		<u>72,524</u>	<u>75,366</u>
CURRENT ASSETS			
Debtors	11	1,021,026	589,974
Cash at bank and in hand		35,430	412,099
		<u>1,056,456</u>	<u>1,002,073</u>
CREDITORS: amounts falling due within one year	12	(976,287)	(955,219)
NET CURRENT ASSETS		<u>80,169</u>	<u>46,854</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>152,693</u>	<u>122,220</u>
CAPITAL AND RESERVES			
Called up share capital	13	11,000	11,000
Share premium account	14	30,318	30,318
Profit and loss account	14	111,375	80,902
Equity shareholders' funds		<u>152,693</u>	<u>122,220</u>

These accounts were approved by the board of directors on - 6 JUL 1999

G Brookes
Director

CEAS Consultants (Wye) Limited

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 March 1999

	<i>Note</i>	<i>1999</i> £	<i>1998</i> £
NET CASH (OUT)/INFLOW FROM OPERATING ACTIVITIES	18	(280,455)	430,243
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		6,722	2,439
Interest paid		(4,519)	(25,821)
NET CASH (OUT)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		2,203	(23,382)
TAXATION			
Corporation tax paid		(38,551)	(12,918)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(6,689)	(22,799)
NET CASH OUTFLOW ON CAPITAL EXPENDITURE		(6,689)	(22,799)
EQUITY DIVIDENDS PAID		(66,639)	-
INCREASE IN CASH	19	(390,131)	371,144

CEAS Consultants (Wye) Limited

NOTES TO THE ACCOUNTS

for the year ended 31 March 1999

1. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Basis of consolidation

The consolidated accounts incorporate the financial statements of CEAS Consultants (Wye) Limited and its subsidiary undertaking for the year ended 31 March 1999. The group uses the acquisition method of accounting to consolidate the results of the subsidiary undertaking from the date of acquisition.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is amortised through the profit and loss account over the directors' estimate of its useful economic life, being 10 years.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated value, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles	-	25% per annum
Fixtures, fittings and equipment	-	20-33% per annum

Investments

Investments held as fixed assets are stated at cost less any provision for a permanent diminution in value.

Work in progress

Work in progress is valued at the lower cost and net realisable value. Cost is based on the direct cost of labour and other contract costs. The value of incomplete contracts is assessed and the attributable profit is recognised in the profit and loss account.

Costs associated with long term contracts are included in stock to the extent that they cannot be matched with contract work accounted for as turnover. Long term contract balances included in stocks are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Contract revenue and profit recognition

Amounts recoverable on contracts are recorded in turnover, debtor, profit appropriate to the stage of the contract. Provision is made for the full amount of any foreseeable losses on contracts.

Deferred taxation

Deferred tax is provided using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recovered.

CEAS Consultants (Wye) Limited

NOTES TO THE ACCOUNTS

for the year ended 31 March 1999

1. ACCOUNTING POLICIES (continued)

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Profit and loss accounts and assets and liabilities of foreign subsidiary undertakings are translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net investment in foreign subsidiary undertakings are taken to reserves.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Defined contribution pension scheme

Contributions to individual employees personal pension schemes are charged to the profit and loss account in the year in which they become payable.

2. TURNOVER AND PROFITS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation is wholly attributable to one activity, that of consultants and advisers in the field of economic research for the food and agriculture industries.

No disclosure of geographical markets supplied is given in these accounts as the directors consider that it would be prejudicial to the company.

The profit on ordinary activities is stated after:

	1999 £	1998 £
Auditors' remuneration	4,400	4,000
Depreciation and amortisation		
Tangible fixed assets, owned	14,862	19,128
Goodwill	3,181	3,181
Hire of plant and machinery	1,920	4,000
Other operating lease rentals	25,698	25,936
Foreign exchange loss	15,464	147,893

3. STAFF COSTS

	1999 £	1998 £
Directors' emoluments		
Salaries and other emoluments	136,944	148,548

During the year 2 (1998: 2) directors participated in money purchase pension schemes.

CEAS Consultants (Wye) Limited

NOTES TO THE ACCOUNTS

for the year ended 31 March 1999

4. INTEREST PAYABLE

	1999 £	1998 £
Bank overdrafts	4,519	25,821

5. TAX ON PROFITS ON ORDINARY ACTIVITIES

	1999 £	1998 £
UK corporation tax @ 31% (1998 31%)		
Current	72,000	50,000
In respect of prior years	(15,098)	9,334
Overseas tax payable	3,649	2,071
	60,551	61,405

The tax charge for the year has been reduced by group relief for losses from a fellow group subsidiary company.

6. DIVIDENDS

	1999 £	1998 £
Proposed equity dividends of £12 per share (1998: £6.058)	132,000	66,639

7. PROFIT FOR THE FINANCIAL YEAR

The parent company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these accounts. The group profit for the year includes a profit after tax and before dividends of £162,473 (1998 £77,168) which is dealt with in the accounts of the company.

8. INTANGIBLE FIXED ASSETS

<i>Group</i>	<i>Goodwill on consolidation</i> £
Cost	
At 1 April 1998 and 31 March 1999	31,807
Amortisation	
At 1 April 1998	22,797
Provided during year	3,181
At 31 March 1999	25,978
Net book value	
At 31 March 1999	5,829
At 31 March 1998	9,010

CEAS Consultants (Wye) Limited

NOTES TO THE ACCOUNTS

for the year ended 31 March 1999

9. TANGIBLE FIXED ASSETS

Group

	<i>Fixtures, fittings & equipment £</i>
Cost	
At 1 April 1998	141,903
Exchange adjustment	(6,391)
Additions	6,689
Disposals	(13,756)
At 31 March 1999	128,445
Depreciation	
At 1 April 1998	116,096
Exchange adjustment	(7,112)
Provided for the year	14,862
Disposals	(13,756)
At 31 March 1999	110,090
Net book value	
At 31 March 1999	18,355
At 31 March 1998	25,807

Company

	<i>Fixtures fittings and equipment £</i>
Cost	
At 1 April 1998	90,583
Additions	6,511
Disposals	(13,756)
At 31 March 1999	83,338
Depreciation	
At 1 April 1998	77,113
Provided for the year	9,353
Disposals	(13,756)
At 31 March 1999	72,710
Net book value	
At 31 March 1999	10,628
At 31 March 1998	13,470

CEAS Consultants (Wye) Limited

NOTES TO THE ACCOUNTS for the year ended 31 March 1999

10. FIXED ASSET INVESTMENTS

<i>Company</i>	<i>Shares in group undertaking £</i>
Cost	
At 1 April 1998	61,896
Additions	-
At 31 March 1999	<u>61,896</u>

<i>Name</i>	<i>Country of incorporation or registration</i>	<i>Proportion of voting rights and ordinary share capital held</i>	<i>Nature of business</i>
Bureau Europeen de Recherches SA	Belgium	100%	Business consultancy in Belgium

11. DEBTORS

	<i>1999 £</i>	<i>Group 1998 £</i>	<i>1999 £</i>	<i>Company 1998 £</i>
Due within one year:				
Amounts recoverable on contracts	131,385	97,735	121,618	74,611
Trade debtors	941,628	518,291	664,063	453,521
Amounts due from group undertakings	7,928	-	228,389	43,029
Other debtors	5,332	17,121	3,429	13,967
Prepayments	13,179	12,332	3,527	4,846
	<u>1,099,452</u>	<u>645,479</u>	<u>1,021,026</u>	<u>589,974</u>

CEAS Consultants (Wye) Limited

NOTES TO THE ACCOUNTS for the year ended 31 March 1999

12. CREDITORS: amounts falling due within one year

	1999	Group 1998	1999	Company 1998
	£	£	£	£
Amounts owed to group undertakings	390,875	410,400	371,123	374,644
Payments on account	229,241	228,083	229,241	228,083
Trade creditors	124,975	131,924	103,126	118,094
Other creditors	12,210	50,119	8,563	50,119
Tax and social security	11,320	36,390	7,755	10,316
Corporation tax	72,000	50,000	65,943	50,000
ACT	-	-	6,057	-
Accruals	80,775	59,580	52,479	57,324
Proposed dividends	132,000	66,639	132,000	66,639
	<u>1,053,396</u>	<u>1,033,135</u>	<u>976,287</u>	<u>955,219</u>

13. SHARE CAPITAL

	1999 £	1998 £
Authorised Ordinary shares of £1 each	20,000	20,000

	1999 No.	1998 No.	1999 £	1998 £
Allotted, called up and fully paid Ordinary shares of £1 each	11,000	11,000	11,000	11,000

14. RESERVES

	Share premium account £	Profit and loss account £
<i>Group</i>		
At 1 April 1998	30,318	80,396
Profit for the year	-	36,128
Currency translation differences on foreign currency net investments	-	(3,180)
At 31 March 1999	<u>30,318</u>	<u>113,344</u>

CEAS Consultants (Wye) Limited

NOTES TO THE ACCOUNTS for the year ended 31 March 1999

14. RESERVES (continued)

	Share premium account £	Profit and loss account £
<i>Company</i>		
At 1 April 1998	30,318	80,902
Profit for the year	-	30,473
At 31 March 1999	30,318	111,375

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

<i>Group</i>	1999 £	1998 £
Profit for the financial year	168,128	76,639
Dividend	(132,000)	(66,639)
Other recognised gains and losses	(3,180)	(2,125)
Net increase in shareholders' funds	32,948	7,875
Shareholders' funds at 1 April 1998	121,714	113,839
Shareholders' funds at 31 March 1999	154,662	121,714

16. PENSIONS

The pension cost charge represents contributions payable by the company to individual employee's personal pension funds.

17. LEASING COMMITMENTS

Operating lease payments amounting to £18,995 (1998: £19,667) are due within one year.

	1999 <i>Other</i> £	1999 <i>Land and buildings</i> £	1998 <i>Other</i> £	1998 <i>Land and buildings</i> £
Operating leases which expire:				
Less than one year	5,685	-	-	-
In two to five years	3,420	-	9,777	-
After five years	-	39,312	-	39,312
	9,105	39,312	9,777	39,312

CEAS Consultants (Wye) Limited

NOTES TO THE ACCOUNTS

for the year ended 31 March 1999

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	1999 £	1998 £
Operating profit	226,476	161,426
Depreciation	14,862	19,128
Amortisation of intangible assets	3,181	3,181
Increase in debtors	(453,973)	(20,205)
(Decrease)/increase in creditors	(71,001)	266,713
	<u>(280,455)</u>	<u>430,243</u>

19. ANALYSIS OF CHANGES IN NET FUNDS DURING THE YEAR

Reconciliation of net cash flow to movement in net funds:

	1999 £	1998 £
(Decrease)/increase in cash in year	(390,131)	371,144
Net funds at 1 April	474,553	103,409
Net funds at 31 March	<u>84,422</u>	<u>474,553</u>

Analysis of change in net funds:

	At 1 April 1998 £	Cash flows £	At 31 March 1999 £
Cash at bank and in hand	474,553	(390,131)	84,422

20. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Genus plc, a company registered in England and Wales.

21. RELATED PARTY TRANSACTIONS

Turnover includes £41,720 which was invoiced to subsidiary undertakings of Genus plc. This income was in respect of work done for those companies in normal course of business.

Cost of sales includes £85,996 in respect of amounts invoiced from subsidiary undertakings of Genus plc. These costs were in respect of work done by those companies in the normal course of business.

Administrative expenses include £11,000 of costs recharged from subsidiary undertakings of Genus plc.