

Reg 5.101  
of Companies Act 1985

***Charcuterie Foods Limited***

***Consolidated Accounts***

***Year ended 31 March 1999***

Company Registration No. 2002852 (England and Wales)



# **Charcuterie Foods Limited**

## **Company Information**

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### **Directors**

R R Lenain  
A Dessert

### **Secretary**

P B Collins

### **Company number**

2002852

### **Registered office**

Charcuterie House, Wandle Way  
Mitcham  
Surrey  
CR4 4NB

### **Auditors**

BDO Stoy Hayward  
6 Bedford Park  
Croydon  
Surrey  
CR0 2AP

# **Charcuterie Foods Limited**

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# **Charcuterie Foods Limited**

## **Directors' Report**

**Year ended 31 March 1999**

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The directors present their report and accounts for the year ended 31 March 1999.

### **Directors**

The following directors have held office since 1 April 1998:

R R Lenain

A Dessert

### **Directors' responsibilities**

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 group and of the profit or loss of the group 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Principal activities and review of the business**

The principal activity of the group continued to be that of the manufacture and distribution of speciality foods.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 4.

The directors recommend the payments of an ordinary dividend of £14,050 and an 'A' ordinary dividend of £13,950.

It is proposed that the retained profit of £116,425 is transferred to the group's reserves.

### **Market value of land and buildings**

In the opinion of the directors the market value of land and buildings is not significantly different from the current net book value.

### **Year 2000**

The directors believe that the group is prepared for the year 2000 problem.

# **Charcuterie Foods Limited**

## **Directors' Report**

**Year ended 31 March 1999**

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### **Directors' interests**

The directors' beneficial interests in the shares of the company and other group companies were as stated below:

	Ordinary shares of £1 each	
	31 March 1999	1 April 1998
R R Lenain	182,500	182,500
A Dessert	3,500	3,500

### **Auditors**

On 1st March 1999 the auditors, Moores Rowland, merged their practice with that of BDO Stoy Hayward and are now practising under that name. In accordance with section 385 of the Companies Act 1985, a resolution proposing that BDO Stoy Hayward be reappointed as auditors of the company will be put to the Annual General Meeting.

By order of the board



P B Collins

Secretary

22 September 1999

# **Charcuterie Foods Limited**

## **Auditors' Report To the Shareholders of Charcuterie Foods Limited**

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We have audited the accounts on pages 4 to 18.

### **Respective responsibilities of directors and auditors**

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

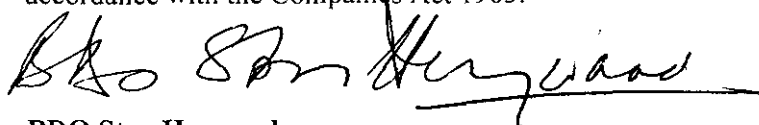
### **Basis of opinion**

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 and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations that 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 the company's and the group's affairs as at 31 March 1999 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO Stoy Hayward**

Chartered Accountants  
Registered Auditors

Croydon

22 September 1999

# Charcuterie Foods Limited

## Consolidated Profit and Loss Account Year ended 31 March 1999

	Notes	1999 £	1998 £
<b>Turnover</b>	<b>2</b>	8,184,081	7,717,281
Cost of sales		(5,740,991)	(5,574,353)
<b>Gross profit</b>		2,443,090	2,142,928
Distribution costs		(945,138)	(748,963)
Administrative expenses		(1,173,298)	(1,044,719)
Other operating income		6,785	-
<b>Operating profit</b>	<b>3</b>	331,439	349,246
Other interest receivable and similar income	<b>4</b>	2,348	364
Interest payable and similar charges	<b>5</b>	(141,794)	(124,696)
<b>Profit on ordinary activities before taxation</b>		191,993	224,914
Tax on profit on ordinary activities	<b>9</b>	(47,568)	100
<b>Profit on ordinary activities after taxation</b>		144,425	225,014
Dividends	<b>11</b>	(28,000)	(35,683)
<b>Retained profit for the year</b>	<b>21</b>	116,425	189,331

The profit and loss account has been prepared on the basis that all operations are continuing operations.

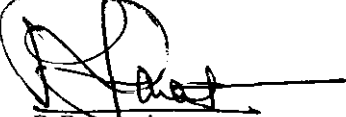
There are no recognised gains and losses other than those passing through the profit and loss account.

# Charcuterie Foods Limited

## Balance Sheets As at 31 March 1999

	Notes	1999 £	Group 1998 £	1999 £	Company 1998 £
<b>Fixed assets</b>					
Intangible assets	12	24,884	28,282	-	-
Tangible assets	13	2,241,607	2,159,890	-	-
Investments	14	-	-	318,955	318,955
		<u>2,266,491</u>	<u>2,188,172</u>	<u>318,955</u>	<u>318,955</u>
<b>Current assets</b>					
Stocks	15	363,890	389,779	-	-
Debtors	16	1,142,824	978,188	305,489	308,483
Cash at bank and in hand		104,960	5,728	-	-
		<u>1,611,674</u>	<u>1,373,695</u>	<u>305,489</u>	<u>308,483</u>
<b>Creditors: amounts falling due within one year</b>	17	(2,297,872)	(2,050,120)	(28,000)	(30,994)
<b>Net current (liabilities)/assets</b>		<u>(686,198)</u>	<u>(676,425)</u>	<u>277,489</u>	<u>277,489</u>
<b>Total assets less current liabilities</b>		<u>1,580,293</u>	<u>1,511,747</u>	<u>596,444</u>	<u>596,444</u>
<b>Creditors: amounts falling due after more than one year</b>	18	(174,433)	(261,233)	-	-
<b>Provisions for liabilities and charges</b>	19	(62,880)	(23,959)	-	-
		<u>1,342,980</u>	<u>1,226,555</u>	<u>596,444</u>	<u>596,444</u>
<b>Capital and reserves</b>					
Called up share capital	20	328,800	328,800	328,800	328,800
Share premium account	21	23,700	23,700	23,700	23,700
Profit and loss account	21	990,480	874,055	243,944	243,944
<b>Shareholders' funds - equity interests</b>	22	<u>1,342,980</u>	<u>1,226,555</u>	<u>596,444</u>	<u>596,444</u>

The consolidated accounts were approved by the board on 22 September 1999

  
R R Lohain  
Director



# Charcuterie Foods Limited

## Consolidated Cash Flow Statement Year ended 31 March 1999

	Notes	1999 £	1998 £
<b>Net cash inflow from operating activities</b>	<b>23</b>	327,149	581,722
Interest received	2,348	364	
Interest paid	(141,794)	(124,696)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(139,446)	(124,332)
<b>Taxation</b>		(6,454)	(32,999)
<b>Capital expenditure</b>			
Payments to acquire tangible assets	(278,673)	(282,876)	
Receipts from sales of tangible assets	36,999	4,292	
<b>Net cash outflow for capital expenditure</b>		(241,674)	(278,584)
<b>Equity dividends paid</b>		(30,994)	(4,689)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(91,419)	141,118
<b>Financing</b>			
Other new short term loans	570,000	-	
Repayment of other long term loans	-	(178,750)	
Repayment of other short term loans	(192,500)	-	
Capital element of finance lease contracts	(86,800)	(53,467)	
<b>Net cash inflow/(outflow) from financing</b>		290,700	(232,217)
<b>Increase/(decrease) in cash in the year</b>	<b>25</b>	199,281	(91,099)

# CHARCUTERIE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

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### 1 Accounting policies

#### 1.1 Accounting convention

The accounts are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

#### 1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the accounts of the company and its subsidiary undertakings made up to 31st March 1999.

#### 1.4 Turnover

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

#### 1.5 Goodwill

Goodwill arising on consolidation is being depreciated over a period of twenty years. This period is considered by the directors to be the useful economic life.

#### 1.6 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:

Land and buildings Leasehold	Over the length of the lease
Plant and machinery	10%
Fixtures, fittings & equipment	10%
Motor vehicles	25%

Improvements to leasehold property are amortised by equal annual instalments over the unexpired term of the lease, up to the date that the freehold was acquired.

Freehold property is not depreciated. Properties are maintained to ensure that their value does not diminish over time. The maintenance costs are charged to the profit and loss account as incurred. In the opinion of the directors, any depreciation would be immaterial and has therefore not been charged.

#### 1.7 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 income on a straight line basis over the lease term.

#### 1.8 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.9 Pensions

The pension costs charged in the accounts represent the contributions payable by the group during the year in accordance with SSAP 24.

# CHARCUTERIE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

### 1.10 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 1.11 Invoice discounting

The company has a facility whereby it can draw up to 80% of the value of trade debtors. Responsibility for invoicing and collection remains with the company and the loan is repaid out of settlement by debtors or on debts becoming uncollectable.

Trade debtors are disclosed at the amounts collectable from third parties. Advances made under the facility are disclosed within creditors due within one year.

### 1.12 Local government grants

Grants are received from local government for capital expenditure of improvements to premises and plant and machinery. Grants received are written off against the additions in the year the grant is received.

## 2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

<b>3 Operating profit</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation of intangible assets	3,398	3,398
Depreciation of tangible assets	154,448	119,241
Operating lease rentals	212,955	191,347
Auditors' remuneration (company £-; 1998 : £-)	8,400	10,000
	<u>          </u>	<u>          </u>
<b>4 Other interest receivable and similar income</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Bank interest	436	364
Other interest	1,912	-
	<u>          </u>	<u>          </u>
	2,348	364
	<u>          </u>	<u>          </u>
<b>5 Interest payable and similar charges</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	13,497	6,717
On other loans	105,278	102,573
Hire purchase interest	23,019	15,406
	<u>          </u>	<u>          </u>
	141,794	124,696
	<u>          </u>	<u>          </u>

# CHARCUTERIE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

### 6 Employees

#### Number of employees

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

	1999 Number	1998 Number
Production	73	64
Selling and distribution	35	22
Administration	9	10
	<u>117</u>	<u>96</u>

#### Employment costs

	£	£
Wages and salaries	1,481,011	1,227,457
Social security costs	121,124	106,022
Other pension costs	76,065	60,186
	<u>1,678,200</u>	<u>1,393,665</u>

### 7 Directors' emoluments

	1999 £	1998 £
Emoluments for qualifying services	160,726	137,000
Company pension contributions to money purchase schemes	37,957	34,237
	<u>198,683</u>	<u>171,237</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (1998 - 2).

### 8 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 1999 £	1998 £	Maximum in year £
R R Lenain	12,251	1,386	12,251

# CHARCUTERIE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

### 9 Taxation

	£	£
<b>U.K. current year taxation</b>		
U.K. corporation tax at 21% (1998 - 21%)	20,758	18,905
Deferred taxation	30,000	(19,005)
	<u>50,758</u>	<u>(100)</u>
<b>Prior years</b>		
U.K. Corporation tax	(3,190)	-
	<u>47,568</u>	<u>(100)</u>

### 10 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	1999 £	1998 £
Holding company's profit for the financial year	<u>28,000</u>	<u>35,683</u>

### 11 Dividends

	1999 £	1998 £
Ordinary interim paid	-	4,689
Ordinary final proposed	28,000	30,994
	<u>28,000</u>	<u>35,683</u>

### 12 Intangible fixed assets Group

	Goodwill £
<b>Cost</b>	
At 1 April 1998 & at 31 March 1999	<u>67,960</u>
<b>Amortisation</b>	
At 1 April 1998	39,678
Charge for year	3,398
	<u>43,076</u>
<b>Net book value</b>	
At 31 March 1999	<u>24,884</u>
At 31 March 1998	<u>28,282</u>

# CHARCUTERIE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

### 13 Tangible fixed assets Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 April 1998	731,914	794,299	980,855	181,231	6,244	2,694,543
Additions	13,576	4,633	124,160	17,747	118,557	278,673
Disposals	-	(10,998)	(311,600)	(13,379)	-	(335,977)
At 31 March 1999	745,490	787,934	793,415	185,599	124,801	2,637,239
<b>Depreciation</b>						
At 1 April 1998	-	55,210	416,214	62,636	593	534,653
On disposals	-	-	(280,102)	(13,367)	-	(293,469)
Charge for the year	-	27,249	83,389	25,303	18,507	154,448
At 31 March 1999	-	82,459	219,501	74,572	19,100	395,632
<b>Net book value</b>						
At 31 March 1999	745,490	705,475	573,914	111,027	105,701	2,241,607
At 31 March 1998	731,914	739,089	564,641	118,595	5,651	2,159,890

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

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Net book values</b>						
At 31 March 1999	4,809	46,000	333,629	21,556	2,965	408,959
At 31 March 1998	4,809	46,750	375,970	24,556	4,151	456,236
<b>Depreciation charge for the year</b>						
31 March 1999	-	750	42,341	3,000	1,186	47,277
31 March 1998	-	750	33,166	3,375	593	37,884

# CHARCUTERIE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

### 14 Fixed asset investments Company

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 April 1998 & at 31 March 1999	318,955
At 31 March 1998	318,955

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Charcuterie Limited	England	Ordinary	100
Gourmandise Foods Limited	England	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	<b>Principal activity</b>
Charcuterie Limited	Manufacture of pate and fine foods
Gourmandise Foods Limited	Dormant

### 15 Stocks

	1999 £	Group 1998 £	1999 £	Company 1998 £
Raw materials and consumables	143,395	198,531	-	-
Finished goods and goods for resale	220,495	191,248	-	-
	<u>363,890</u>	<u>389,779</u>	<u>-</u>	<u>-</u>

# CHARCUTERIE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

### 16 Debtors

	1999 £	Group 1998 £	1999 £	Company 1998 £
Trade debtors	975,608	871,389	-	-
Amounts owed by group undertakings	-	-	305,489	308,483
Corporation tax	16,409	30,024	-	-
ACT recoverable	2,295	2,295	-	-
Other debtors	83,266	61,255	-	-
Prepayments and accrued income	65,246	13,225	-	-
	<u>1,142,824</u>	<u>978,188</u>	<u>305,489</u>	<u>308,483</u>

Trade debtors are subject to an invoice discounting arrangement as noted under the accounting policies.

### 17 Creditors : amounts falling due within one year

	1999 £	Group 1998 £	1999 £	Company 1998 £
Bank loans and overdrafts	586,861	116,910	-	-
Net obligations under finance lease and hire purchase contracts	86,800	86,800	-	-
Trade creditors	877,285	879,260	-	-
Corporation tax	12,560	15,061	-	-
Taxes and social security costs	36,542	46,798	-	-
Other creditors	442,874	673,048	-	-
Accruals and deferred income	226,950	201,249	-	-
Proposed dividend	28,000	30,994	28,000	30,994
	<u>2,297,872</u>	<u>2,050,120</u>	<u>28,000</u>	<u>30,994</u>

The bank overdraft facility is secured by a mortgage debenture on properties and book debts, and a floating charge over all other assets.

The invoice discounting facility is advanced on up to 80% of the value of the trade debtors. Interest is charged at 1.5% over the base rate.

The bank loan is repayable on demand although the current repayment schedule indicates that the loan will be repaid by equal instalments over 10 years. Interest is charged at 1.25% over base rate. The loan is secured on the freehold and leasehold properties owned by the company, and unlimited guarantees provided by Gourmandise Foods Limited and Charcuterie Limited.



# CHARCUTERIE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

### 18 Creditors : amounts falling due after more than one year

	1999 £	Group 1998 £	1999 £	Company 1998 £
Net obligations under finance leases and hire purchase agreements	174,433	261,233	-	-
<b>Net obligations under finance leases and hire purchase contracts</b>				
Repayable within one year	86,800	86,800	-	-
Repayable between one and five years	174,433	261,233	-	-
	261,233	348,033	-	-
Included in liabilities falling due within one year	(86,800)	(86,800)	-	-
	174,433	261,233	-	-

### 19 Provisions for liabilities and charges Group

	Deferred taxation £
Balance at 1 April 1998	32,880
Profit and loss account	30,000
Balance at 31 March 1999	62,880

Deferred tax is provided at 20% (1998 - 21%) analysed over the following timing differences:

#### Group

	1999 £	Fully provided 1998 £
Accelerated capital allowances	62,880	32,880
ACT available for offset	-	(8,921)
	62,880	23,959

# CHARCUTERIE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

20 Share capital	1999 £	1998 £
<b>Authorised</b>		
272,800 Ordinary shares of £1 each	272,800	272,800
88,800 'A' ordinary shares of £1 each	88,800	88,800
	<u>361,600</u>	<u>361,600</u>
 <b>Allotted, called up and fully paid</b>		
240,000 Ordinary shares of £1 each	240,000	240,000
88,800 'A' ordinary shares of £1 each	88,800	88,800
	<u>328,800</u>	<u>328,800</u>

Holders of the 'A' Ordinary shares are entitled to a cumulative preferential dividend (referred to as the Participating Dividend) calculated as a percentage of the group's profits for the relevant financial year.

On a return of capital on winding up, or otherwise, the 'A' Ordinary shares carry the right to repayment of capital and a sum equal to any arrears or deficiency of dividend; this is in priority to the rights of all other shareholders.

## 21 Statement of movements on reserves Group

	Share premium account £	Profit and loss account £
Balance at 1 April 1998	23,700	874,055
Retained profit for the year	-	116,425
Balance at 31 March 1999	<u>23,700</u>	<u>990,480</u>
 <b>Company</b>		
	£	£
Balance at 1 April 1998	23,700	243,944
Balance at 31 March 1999	<u>23,700</u>	<u>243,944</u>

# CHARCUTERIE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

<b>22 Reconciliation of movements in shareholders' funds</b>	<b>1999</b>	<b>1998</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Profit for the financial year	144,425	225,014
Dividends	(28,000)	(35,683)
Net addition to shareholders' funds	116,425	189,331
Opening shareholders' funds	1,226,555	1,037,224
Closing shareholders' funds	1,342,980	1,226,555
	<b>1999</b>	<b>1998</b>
<b>Company</b>	<b>£</b>	<b>£</b>
Profit for the financial year	28,000	35,683
Dividends	(28,000)	(35,683)
Net depletion in shareholders' funds	-	-
Opening shareholders' funds	596,444	596,444
Closing shareholders' funds	596,444	596,444
<b>23 Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Operating profit	331,439	349,246
Depreciation of tangible assets	154,448	119,241
Amortisation of intangible assets	3,398	3,398
Loss/(profit) on disposal of tangible assets	5,509	(623)
Decrease/(increase) in stocks	25,889	(66,889)
Increase in debtors	(178,251)	(260,544)
(Decrease)/Increase in creditors within one year	(15,283)	437,893
Net cash inflow from operating activities	327,149	581,722

# CHARCUTERIE FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

24 Analysis of net debt	1 April 1998	Cash flow	31 March 1999
	£	£	£
Net cash:			
Cash at bank and in hand	5,728	99,232	104,960
Bank overdrafts	(116,910)	100,049	(16,861)
	<u>(111,182)</u>	<u>199,281</u>	<u>88,099</u>
Debt:			
Finance leases	(348,033)	86,800	(261,233)
Debts falling due within one year	(192,500)	(377,500)	(570,000)
	<u>(540,533)</u>	<u>(290,700)</u>	<u>(831,233)</u>
Net debt	<u>(651,715)</u>	<u>(91,419)</u>	<u>(743,134)</u>

25 Reconciliation of net cash flow to movement in net debt	1999	1998
	£	£
Increase/(decrease) in cash in the year	199,281	(91,099)
Cash (inflow)/outflow from (increase)/decrease in debt	(290,700)	32,217
	<u>(91,419)</u>	<u>(58,882)</u>
Movement in net debt in the year	(651,715)	(592,833)
Opening net debt		
Closing net debt	<u>(743,134)</u>	<u>(651,715)</u>

## 26 Financial commitments

At 31 March 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	-	-	18,333	23,413
Between two and five years	27,400	27,400	96,646	117,311
In over five years	6,000	6,000	-	-
	<u>33,400</u>	<u>33,400</u>	<u>114,979</u>	<u>140,724</u>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

### 27 Capital commitments

	1999 £	Group 1998 £	1999 £	Company 1998 £
Contracted for but not provided in the accounts	97,000	64,000	-	-
	<u>97,000</u>	<u>64,000</u>	<u>-</u>	<u>-</u>

### 28 Pension costs

The company operates three defined contribution pension schemes. The assets of these schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £76,065 (1998 - £60,186).

### 29 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning related parties.