

Reg

COMPANY NUMBER: 2880426

EDENFIELD SOAP & TOILETRIES LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998

HORWATH
CLARK WHITEHILL

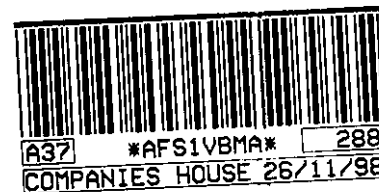
Chartered Accountants

A member of Horwath International

Arkwright House Parsonage Gardens
Manchester M3 2LF

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EDENFIELD SOAP & TOILETRIES LIMITED

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**EDENFIELD SOAP & TOILETRIES LIMITED
DIRECTORS AND ADVISERS**

DIRECTORS

E A Oldham
R V Hughes
I C Harrison
S A Collinge
J D Ackroyd
B Parnell

SECRETARY

K Oldham

REGISTERED OFFICE

Irwell Vale Works
Irwell Vale
Ramsbottom
Bury
Lancashire
BL0 0QG

BANKERS

National Westminster Bank Plc
179 Stamford Street
Ashton-under-Lyne
Lancashire
OL6 7PX

AUDITORS

Horwath Clark Whitehill
Arkwright House
Parsonage Gardens
Manchester
M3 2LF

**EDENFIELD SOAP & TOILETRIES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 1998**

The directors have pleasure in presenting their report and the accounts for the year ended 31 March 1998.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The purpose of this statement is to distinguish the directors' responsibilities for the accounts from those of the auditors as stated in their report.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the company's state of affairs at the end of the year and of its profit or loss for the 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume 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 or other irregularities.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is the manufacture of soap and toiletries.

The directors are pleased to report a small increase in turnover in difficult trading conditions, although overall results proved disappointing.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £229,032 (1997 - loss £86,020) as shown on page 5. The directors do not recommend the payment of a dividend.

FUTURE DEVELOPMENTS

The directors are confident of sales growth in the current year but margins continue to be under pressure.

**EDENFIELD SOAP & TOILETRIES LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1998**

DIRECTORS

The directors who served during the year were as follows:

E A Oldham	
M G Tattersall	(resigned 30 June 1997)
R V Hughes	
I C Harrison	
S A Collinge	
K J Kelly	(appointed 30 June 1997; resigned 24 February 1998)
J D Ackroyd	(appointed 30 June 1997)

B Parnell was also appointed as a director on 14 April 1998.

DIRECTORS' INTERESTS

None of the directors who held office at 31 March 1998 had any interests in the issued share capital of the company at the beginning or end of the financial year.

With the exception of S A Collinge all of the directors were also on the board of the parent company and their interests in the shares of the parent company are disclosed in that company's financial statements.

YEAR 2000

The directors are taking all steps they consider necessary to ensure that the company will meet the Year 2000 date change and believe that the company's business will not be materially affected. It is unlikely that significant costs are to be incurred in this respect.

AUDITORS

During the year the auditors changed their name to Horwath Clark Whitehill and have signed their audit report in their new name. A resolution proposing the reappointment of Horwath Clark Whitehill as auditors to the company will be put to the members at the annual general meeting.

By order of the board



K Oldham
Secretary

12 November 1998

**HORWATH
CLARK WHITEHILL**

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Manchester
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AUDITORS' REPORT

TO THE SHAREHOLDERS OF EDENFIELD SOAP & TOILETRIES LIMITED

We have audited the accounts on pages 5 to 11 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of 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 the information in the accounts.

Unqualified opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill

HORWATH CLARK WHITEHILL
Chartered Accountants
and Registered Auditors

Manchester
23 November 1998

EDENFIELD SOAP & TOILETRIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1998

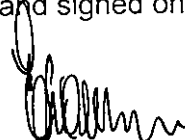
	Note	1998 £	1997 £
TURNOVER	2	6,745,046	6,696,095
Cost of sales		<u>(6,322,358)</u>	<u>(6,213,534)</u>
GROSS PROFIT		422,688	482,561
Administrative expenses		<u>(651,720)</u>	<u>(568,581)</u>
LOSS BEFORE AND AFTER TAXATION AND LOSS FOR THE FINANCIAL YEAR	3 & 12	<u>(229,032)</u>	<u>(86,020)</u>

The Profit and Loss Account contains all the gains and losses recognised in the current and preceding year and the loss is the only movement on shareholders' funds.

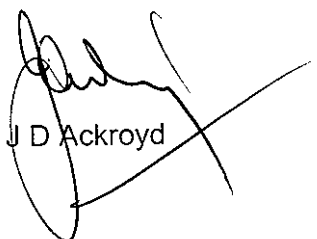
EDENFIELD SOAP & TOILETRIES LIMITED
BALANCE SHEET
31 MARCH 1998

	Note	1998 £	1997 £
FIXED ASSETS			
Tangible assets	6	<u>524,350</u>	<u>536,414</u>
CURRENT ASSETS			
Stocks	7	<u>637,139</u>	<u>815,690</u>
Debtors	8	<u>894,364</u>	<u>472,545</u>
		1,531,503	1,288,235
CREDITORS: amounts falling due within one year	9	<u>(1,216,332)</u>	<u>(756,096)</u>
NET CURRENT ASSETS		<u>315,171</u>	<u>532,139</u>
NET ASSETS		<u>839,521</u>	<u>1,068,553</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,000,000	1,000,000
Profit and loss account	12	<u>(160,479)</u>	<u>68,553</u>
SHAREHOLDERS' FUNDS		<u>839,521</u>	<u>1,068,553</u>

Approved by the board on 12 November 1998
and signed on its behalf:



E A Oldham



J D Ackroyd

The notes on pages 7 to 11 form part of these accounts.

EDENFIELD SOAP & TOILETRIES LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents amounts invoiced to customers in respect of sales of goods and services, excluding value added tax and sales of fixed assets.

Depreciation

Depreciation is provided on all tangible fixed assets in use, at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery	-	15% p.a. reducing balance
Fixtures and fittings	-	10% p.a. reducing balance
Motor vehicles	-	33% p.a. reducing balance
Dies	-	25% p.a. reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in, first out basis and includes all direct expenditure incurred in bringing products to their present location and condition. Net realisable value is based on estimated selling price less any further costs of realisation.

Deferred Taxation

Deferred taxation is accounted for using the liability method on all material timing differences to the extent that it is probable that liabilities or assets will crystallise. Timing differences arise from certain items being included in taxation computations in periods different from those in which they appear in the accounts.

Foreign Currencies

Transactions denominated in foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

EDENFIELD SOAP & TOILETRIES LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1998

1. ACCOUNTING POLICIES (CONTINUED)

Pension Costs

The company contributes to a defined contribution pension scheme covering the majority of its permanent employees. The company's contributions to the scheme are charged in the profit and loss account as they accrue.

Accounting Period

The accounts are prepared on the basis of the accounting period ending on the last Saturday in March each year. For the current year the accounts have been made up to 28 March 1998 and for the comparative period accounts were made up to 29 March 1997.

Related Party Transactions

The company is a wholly owned subsidiary of Milo Plc, a company registered in England and Wales, and has therefore taken advantage of the exemption in Financial Reporting Standard No 8 not to disclose transactions with other group members.

2. TURNOVER

Turnover wholly arises in the United Kingdom, and in the opinion of the directors there is only one class of business.

3. (LOSS)/PROFIT BEFORE AND AFTER TAXATION	1998	1997
This is stated after charging/(crediting):	£	£
Directors' remuneration	29,763	28,347
Auditors' remuneration	10,400	10,000
Depreciation	<u>88,635</u>	<u>92,701</u>

The majority of the directors are paid by the holding company. The directors do not believe that it is practicable to apportion their remuneration between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

	1998	1997
	£	£
Directors' remuneration comprises:		
Aggregate emoluments	27,964	24,385
Company pension contributions to money purchase scheme	<u>1,799</u>	<u>3,962</u>
	<u>29,763</u>	<u>28,347</u>

EDENFIELD SOAP & TOILETRIES LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1998

4. TAXATION

No corporation tax charge arises on the loss for the year.

5. STAFF COSTS

	1998 £	1997 £
Wages and salaries	1,159,282	1,061,666
Social security costs	79,552	66,215
Other pension costs	<u>16,900</u>	<u>15,112</u>
	<u>1,255,734</u>	<u>1,142,993</u>

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

		No.
Selling and distribution	8	7
Administration	1	1
Production	<u>130</u>	<u>112</u>
	<u>139</u>	<u>120</u>

6. TANGIBLE FIXED ASSETS

	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Dies £	Total £
Cost					
1 April 1997	2,056,187	1,741	12,741	124,409	2,195,078
Additions	70,503	768	-	5,300	76,571
Disposals	<u>-</u>	<u>-</u>	<u>(4,750)</u>	<u>(31,327)</u>	<u>(36,077)</u>
31 March 1998	<u>2,126,690</u>	<u>2,509</u>	<u>7,991</u>	<u>98,382</u>	<u>2,235,572</u>
Depreciation					
1 April 1997	1,538,142	405	9,882	110,235	1,658,664
Provisions for year	83,543	171	715	4,206	88,635
Disposals	<u>-</u>	<u>-</u>	<u>(4,750)</u>	<u>(31,327)</u>	<u>(36,077)</u>
31 March 1998	<u>1,621,685</u>	<u>576</u>	<u>5,847</u>	<u>83,114</u>	<u>1,711,222</u>
Net Book Value					
31 March 1998	<u>505,005</u>	<u>1,933</u>	<u>2,144</u>	<u>15,268</u>	<u>524,350</u>
31 March 1997	<u>518,045</u>	<u>1,336</u>	<u>2,859</u>	<u>14,174</u>	<u>536,414</u>

EDENFIELD SOAP & TOILETRIES LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1998

7. STOCKS	1998 £	1997 £
Raw materials	518,355	634,697
Finished goods	<u>118,784</u>	<u>180,993</u>
	<u>637,139</u>	<u>815,690</u>
 8. DEBTORS		
Trade debtors	340,622	149,790
Amounts owed by group undertakings	<u>553,742</u>	<u>322,755</u>
	<u>894,364</u>	<u>472,545</u>
 9. CREDITORS: amounts falling due within one year		
Bank overdraft (secured)	188,806	3,307
Trade creditors	551,723	393,544
Amounts owed to group undertakings	161,816	104,223
Other taxes and social security costs	32,949	24,316
Other creditors	7,764	19,892
Accruals and deferred income	<u>273,274</u>	<u>210,814</u>
	<u>1,216,332</u>	<u>756,096</u>

The bank overdraft is secured by a floating charge over all the assets of the company.

10. DEFERRED TAXATION

	1998		1997	
	Full potential liability £	Provided in the accounts £	Full potential liability £	Provided in the accounts £
Timing differences arising from:				
Capital allowances	61,000	61,000	65,000	65,000
Less: utilisation of losses	<u>(61,000)</u>	<u>(61,000)</u>	<u>(65,000)</u>	<u>(65,000)</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

EDENFIELD SOAP & TOILETRIES LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1998

11. CALLED UP SHARE CAPITAL	1998 £	1997 £
Authorised: 5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
Alotted, issued and fully paid: 1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

12. RESERVES	Profit and loss account £
At 1 April 1997	68,553
Loss for the financial year	<u>(229,032)</u>
At 31 March 1998	<u>(160,479)</u>

13. CONTINGENT LIABILITY

The company is party to an unlimited multilateral guarantee in respect of the bank borrowings of the companies within the group.

The group was not indebted to the bank at 31 March 1998 or 31 March 1997.

14. ULTIMATE PARENT UNDERTAKING

The ultimate parent company is Milo Plc, which is registered in England and Wales. A copy of the accounts of the parent company can be obtained by writing to The Secretary, Milo Plc, Irwell Vale Works, Irwell Vale, Ramsbottom, Bury, Lancashire, BLO OQG.