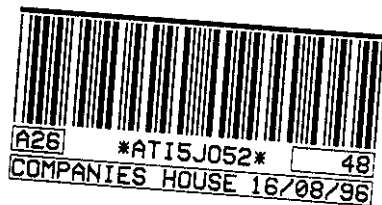


DAWKINS INTERNATIONAL LIMITED
(Registered Number 599033)

DIRECTORS' REPORT AND ACCOUNTS

28 FEBRUARY 1996



DAWKINS INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 1996

The directors submit their report and group accounts for the year ended 28 February 1996.

PRINCIPAL ACTIVITIES

The principal activities of the group are slaughterers, wholesale and retail butchers and dealers in foodstuffs.

TRADING RESULTS AND DIVIDENDS

The group has increased sales to £48.8 million compared with £37.9 million in the previous year. The profit on ordinary activities after taxation for the year was £100,000 (1995: £270,000).

An interim dividend of 20 pence per share was paid on 1 October 1995. The directors do not recommend a final dividend and propose that £60,000 is transferred to reserves (1995: £180,000 transferred to reserves).

DIRECTORS

The directors who served during the year and their interests in the share capital of the company are as follows:

	<u>'A' and 'B' shares of £1 each</u>			
	1996		1995	
J W C Dawkins (Chairman)	70,000	'A'	100,000	'A'
W D Dawkins	60,000	'B'	100,000	'B'
J E Dawkins	-		-	
	<hr/>		<hr/>	

POST BALANCE SHEET EVENTS

On 22 March the European Union imposed a world wide ban on the export of British beef. It is not practical to make an estimate of the financial effect on the company but the company has taken measures to limit the downside of this event.

LAND AND BUILDINGS

In the directors opinion the book value of Land and Buildings is not materially different from the current market value.

CHARITABLE CONTRIBUTIONS

Charitable contributions of £1,296 were made by the group during the year.

DAWKINS INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 1996 (CONTINUED)

FIXED ASSETS

Movements in tangible fixed assets are shown in note 10 to the accounts.

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 group and of the profit and cashflows of the group for that year. In preparing those accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board



W D DAWKINS
Secretary
25 June 1996

Registered office:
Barton Road
Congerstone
Nuneaton
Warwickshire
CV13 6NB

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF DAWKINS INTERNATIONAL LIMITED

We have audited the accounts on pages 4 to 16 which have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings, and the accounting policies set out on pages 8 and 9.

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 group'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 group and the company at 28 February 1996 and of the profit and cashflows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

25 June 1996

DAWKINS INTERNATIONAL LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 1996**

	<u>1996</u> £'000	<u>1995</u> £'000
TURNOVER (Note 3)	48,775	37,996
Cost of sales	<u>(46,101)</u>	<u>(35,463)</u>
GROSS PROFIT	2,674	2,533
Distribution costs	(1,084)	(863)
Administrative expenses	<u>(1,254)</u>	<u>(1,177)</u>
OPERATING PROFIT	336	493
Interest payable and similar charges (Note 4)	<u>(219)</u>	<u>(143)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 5)	117	350
Tax on profit on ordinary activities (Note 7)	<u>(17)</u>	<u>(80)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	100	270
Dividends (Note 8)	<u>(40)</u>	<u>(90)</u>
PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	<u>60</u>	<u>180</u>

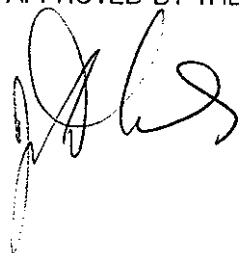
There are no recognised gains or losses other than those included in the profit and loss account.

DAWKINS INTERNATIONAL LIMITED

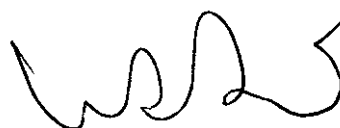
CONSOLIDATED BALANCE SHEET - 28 FEBRUARY 1996

	<u>1996</u>		<u>1995</u>	
	£'000	£'000	£'000	£'000
FIXED ASSETS				
Tangible assets (Note 9)		2,279		2,233
CURRENT ASSETS				
Stocks (Note 11)	265		246	
Debtors (Note 12)	3,554		3,765	
Cash at bank and in hand	<u>1</u>		<u>1</u>	
	3,820		4,012	
CREDITORS - Amounts falling due within one year (Note 13)	<u>(3,790)</u>		<u>(3,916)</u>	
NET CURRENT ASSETS		<u>30</u>		<u>96</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,309		2,329
CREDITORS - Amounts falling due after more than one year (Note 14)		(423)		(488)
PROVISION FOR DEFERRED TAXATION (Note 7)		<u>(115)</u>		<u>(130)</u>
		1,771		1,711
		<u> </u>		<u> </u>
SHAREHOLDERS FUNDS				
Called up share capital (Note 16)		200		200
Revaluation reserve (Note 17)		304		311
Profit and loss account (Note 17)		<u>1,267</u>		<u>1,200</u>
		1,771		1,711
		<u> </u>		<u> </u>

APPROVED BY THE BOARD ON 25 JUNE 1996 AND SIGNED ON ITS BEHALF BY



J W C Dawkins
DIRECTOR



W D Dawkins
DIRECTOR

DAWKINS INTERNATIONAL LIMITED

COMPANY BALANCE SHEET - 28 FEBRUARY 1996

	1996	1995
	£'000	£'000
FIXED ASSETS		
Tangible assets (Note 9)	2,279	2,233
Investment in subsidiary (Note 10)	<u>15</u>	<u>15</u>
	2,294	2,248
CURRENT ASSETS		
Stocks (Note 11)	265	246
Debtors (Note 12)	3,554	3,765
Cash at bank and in hand	<u>1</u>	<u>1</u>
	3,820	4,012
CREDITORS - Amounts falling due within one year (Note 13)	<u>(3,807)</u>	<u>(3,933)</u>
NET CURRENT ASSETS	<u>13</u>	<u>79</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	2,307	2,327
CREDITORS - Amounts falling due after more than one year (Note 14)	(423)	(488)
PROVISION FOR DEFERRED TAXATION (Note 7)	<u>(115)</u>	<u>(130)</u>
	1,769	1,709
SHAREHOLDERS FUNDS		
Called up share capital (Note 16)	200	200
Revaluation reserve (Note 17)	304	311
Profit and loss account	<u>1,265</u>	<u>1,198</u>
	1,769	1,709

APPROVED BY THE BOARD ON 25 JUNE 1996 AND SIGNED ON ITS BEHALF BY

J W G Dawkins
DIRECTOR

W D Dawkins
DIRECTOR

DAWKINS INTERNATIONAL LIMITED

**CASHFLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 1996**

	<u>1996</u>	<u>1995</u>
	£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES		
(Note 20)	768	159
RETURNS ON INVESTMENT AND SERVICING OF FINANCE		
Interest paid	(223)	(140)
Dividends paid	<u>(90)</u>	<u>(60)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(313)	(200)
TAXATION		
Corporation tax paid (including advance corporation tax)	(86)	(60)
INVESTING ACTIVITIES		
Payments to acquire tangible fixed assets	(220)	(241)
Receipts from sale of fixed assets	<u>16</u>	<u>46</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	<u>(204)</u>	<u>(195)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	165	(296)
FINANCING		
Repayment of loans	(93)	(81)
Capital element of finance lease repayments	(72)	(60)
Receipt of loans	<u>35</u>	<u>100</u>
NET CASH OUTFLOW FROM FINANCING	<u>(130)</u>	<u>(41)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (Note 20)	<u>35</u>	<u>(337)</u>

DAWKINS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS - 28 FEBRUARY 1996

1 ACCOUNTING POLICIES

(1) Accounting convention

The accounts are prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings, in accordance with applicable Accounting Standards and are made up to the Saturday nearest to 28 February.

(2) Basis of consolidation

The consolidated accounts include the accounts of the holding company and its subsidiary, both of which are made up to 28 February.

(3) Tangible fixed assets

Tangible fixed assets are stated at cost less aggregate depreciation. Assets are depreciated over their estimated useful lives at the following annual rates:

Land and buildings	- 2% straight line
Plant and machinery	- 10% reducing balance
Fixtures and fittings	- 10% - 25% reducing balance
Motor vehicles	- 25% reducing balance

(4) Stocks

Stocks are stated at the lower of cost, including attributable overheads, and net realisable value.

(5) Deferred taxation

Provision is made on the liability method for taxation deferred by timing differences, but only in those cases where the tax benefits cannot, with reasonable probability, be expected to be retained for the foreseeable future in consequence of recurring or continuing timing differences.

(6) Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction, or at rates from matching forward contracts.

Cash balances in foreign currencies are expressed in sterling at year end rates of exchange.

All differences on exchange are taken to the profit and loss account.

DAWKINS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS - 28 FEBRUARY 1996 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(7) Leasing and hire purchase commitments

Assets obtained under hire purchase and finance lease contracts are capitalised in the balance sheet and are depreciated over their useful lives. The corresponding liability is recorded as a creditor and the interest element of the income charge is charged to profit and loss account over the period of the lease. Rentals payable under operating leases are charged to the profit and loss account.

2 PROFIT AND LOSS ACCOUNT

The parent company has not published its own profit and loss account as permitted under S228 (7) of the Companies Act 1985. The group profit on ordinary activities after taxation relates wholly to the accounts of the holding company.

3 TURNOVER

	<u>1996</u>	<u>1995</u>
	£'000	£'000
Turnover excludes VAT and comprises sales in the following markets:		
United Kingdom	24,107	21,106
Other EC countries	<u>24,648</u>	<u>16,890</u>
	48,755	37,996
	<u> </u>	<u> </u>

All turnover arose from continuing activities.

4 INTEREST PAYABLE

On loans wholly repayable within 5 years.

Bank overdraft interest	100	68
Other interest	<u>119</u>	<u>75</u>
	219	143
	<u> </u>	<u> </u>

DAWKINS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS - 28 FEBRUARY 1996 (CONTINUED)

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1996</u> £'000	<u>1995</u> £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Provision for bad debts	97	-
(Profit)/Loss on foreign exchange	(27)	2
Depreciation	185	165
Auditors' remuneration	10	10
Auditors' remuneration for non audit services	2	2
Operating lease rentals	28	55
(Profit) on sale of fixed assets	(3)	(22)

6 DIRECTORS AND EMPLOYEES

Staff costs (including directors) comprise:

Wages and salaries	1,422	1,335
Social Security costs	125	123
Other pension costs	<u>27</u>	<u>28</u>
	1,574	1,486

The average number of persons employed by the group during the year was 90 (1995: 87).

	<u>1996</u> £'000	<u>1995</u> £'000
Directors' emoluments for the year (including pension contributions)	178	166

Details of directors' emoluments, excluding pension contributions, were as follows:

Chairman and highest paid director	79	72
------------------------------------	----	----

Other directors received emoluments within the following ranges:

	<u>Number</u>	<u>Number</u>
£5,001 - £10,000	1	1
£60,001 - £65,000	-	1
£70,001 - £75,000	1	-

DAWKINS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS - 28 FEBRUARY 1996 (CONTINUED)

7 TAXATION

	<u>1996</u> £'000	<u>1995</u> £'000
Tax charge		
The tax charge comprises:		
Corporation tax at 25% (1995: 33%)	32	80
Deferred tax	<u>(15)</u>	<u>-</u>
	17	80
	<u> </u>	<u> </u>

Deferred taxation

The potential liability for deferred tax comprises:

Accelerated capital allowances	205	261
Short term timing differences	<u>-</u>	<u>-</u>
	205	261
	<u> </u>	<u> </u>
Amount provided	115	130
	<u> </u>	<u> </u>

8 DIVIDENDS

	<u>1996</u> £'000	<u>1995</u> £'000
Interim: 20p per share (1995: 20p per share)	40	40
Final: Nil (1995: 25p per share)	<u>-</u>	<u>50</u>
	40	90
	<u> </u>	<u> </u>

DAWKINS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS - 28 FEBRUARY 1996 (CONTINUED)

9 TANGIBLE FIXED ASSETS - GROUP AND COMPANY

	Freehold land and <u>buildings</u> £'000	Plant and <u>machinery</u> £'000	Motor <u>vehicles</u> £'000	Fixtures and <u>fittings</u> £'000	Total £'000
Cost or valuation					
At 1 March 1995	1,264	1,493	388	56	3,201
Additions	133	61	49	1	244
Disposals	-	-	(25)	-	(25)
At 28 February 1996	1,397	1,554	412	57	3,420
Depreciation					
At 1 March 1995	70	733	132	33	968
Charge for the year	31	78	70	6	185
Disposals	-	-	(12)	-	(12)
At 28 February 1996	101	811	190	39	1,141
Net book amount at					
28 February 1996	1,296	743	222	18	2,279
1 March 1995	1,194	760	256	23	2,233

The freehold land and buildings were valued at £950,000 in 1992 by Bidwells, Chartered Surveyors on an existing use basis giving rise to a surplus over the former net book amount of £332,000. If the freehold land and buildings had not been revalued the net book amount at 28 February 1996 would have been £988,000. No provision has been made for the potential capital gains tax liability which would arise if the properties were sold at the valuation figure as the directors have no intention of disposing of the properties in the foreseeable future.

The following assets at 28 February 1996 have been purchased on lease purchase arrangements and are included in both the group and company accounts.

	1996 <u>Net book amount</u> £'000	1995 <u>Net book amount</u> £'000
Plant and machinery	28	2
Motor vehicles	184	192
	212	194

Depreciation of £54,000 was charged on these assets in the year (1995: £51,000).

DAWKINS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS - 28 FEBRUARY 1996 (CONTINUED)

9 TANGIBLE FIXED ASSETS - GROUP AND COMPANY (CONTINUED)

Capital commitments - Group and company

Capital expenditure authorised and contracted for at 28 February 1996 amounted to £40,000 (1995: £20,000). Capital expenditure authorised and not contracted for amounted to £Nil (1995: £30,000).

10 INVESTMENT IN SUBSIDIARY COMPANY

	<u>1996</u> £'000	<u>1995</u> £'000
Shares in subsidiary company, at cost	15	15
	<u>==</u>	<u>==</u>

The company owns the entire share capital of DBI (Midlands) Limited, a company incorporated in Great Britain and registered in England. The company has not traded during the year.

11 STOCKS

	<u>The Group and Company</u>	
	<u>1996</u> £'000	<u>1995</u> £'000
Livestock and deadstock	199	176
Consumable stores	50	50
Shop stock	<u>16</u>	<u>20</u>
	265	246
	<u>==</u>	<u>==</u>

12 DEBTORS

Trade debtors	3,321	3,538
Other debtors	27	18
Prepayments	206	196
ACT recoverable	<u>-</u>	<u>13</u>
	3,554	3,765
	<u>==</u>	<u>==</u>

DAWKINS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS - 28 FEBRUARY 1996 (CONTINUED)

13 CREDITORS - Amounts falling due within one year

	The Group		The Company	
	1996 £'000	1995 £'000	1996 £'000	1995 £'000
Bank loan	97	91	97	91
Bank overdrafts	1,317	865	1,317	865
Trade creditors	1,895	1,819	1,895	1,819
Taxation and social security	49	100	49	100
Accruals	131	195	131	195
Other creditors	227	714	227	714
Finance lease obligations	58	58	58	58
Owing to directors	16	11	16	11
Dividends payable		50		50
ACT payable		13		13
Owing to group companies	-	-	17	17
	3,790	3,916	3,807	3,933

The bank loan, overdrafts and other creditors are secured by fixed and floating charges on the Company's land and buildings, debtors and other assets of the group. The bank loan is repayable in equal annual instalments which commenced in April 1993 and carries interest at 2½% above the LIBOR rate.

14 CREDITORS - Amounts falling due after more than one year

	The Group and Company	
	1996 £'000	1995 £'000
Repayable by instalments:		
Between one and two years:		
Bank loan	99	91
Finance lease obligations	49	48
	148	139
Between two and five years:		
Bank loan	206	278
Finance lease obligations	69	71
	275	349
	423	488

DAWKINS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS - 28 FEBRUARY 1996 (CONTINUED)

15 OPERATING LEASE COMMITMENTS

At 28 February 1996 the company had annual commitments under non-cancellable operating leases as follows:

	<u>1996</u>	<u>1995</u>
	£'000	£'000
Expiry date:		
Within one year	-	22
Between two and five years	<u>42</u>	<u>36</u>
	42	58
	<u> </u>	<u> </u>

16 CALLED UP SHARE CAPITAL

Authorised, allotted and fully paid:

'A' shares of £1 each	100	100
'B' shares of £1 each	<u>100</u>	<u>100</u>
	200	200
	<u> </u>	<u> </u>

Both classes of share give equal voting rights, equal rights to dividends and allow equal rights to capital in the event of a winding up.

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Profit and</u>	<u>Revaluation</u>	<u>Share</u>
	<u>loss</u>	<u>reserve</u>	<u>capital</u>
	£'000	£'000	£'000
At 1 March 1995	1,200	311	200
Profit for the year	100	-	-
Dividends	(40)	-	-
Transfer to profit and loss account	<u>7</u>	<u>(7)</u>	<u> </u>
At 28 February 1996	1,267	304	200
	<u> </u>	<u> </u>	<u> </u>

18 REVALUATION RESERVE

The revaluation reserve arises from the revaluation of the freehold land and buildings in the year ended 29 February 1992.

DAWKINS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS - 28 FEBRUARY 1996 (CONTINUED)

19 PENSIONS

The group operates two separate money purchase pension schemes for the benefit of certain of the directors. The assets of the schemes are held in separately administered funds and contributions are accounted for when paid.

Employees may elect to make pension provisions via separate money purchase schemes. The group contributes fixed amounts to the employees' schemes.

20 CASHFLOW STATEMENT

(1) Reconciliation of operating profit to net cash inflow from operating activities

	<u>1996</u> £'000	<u>1995</u> £'000
Operating profit	336	493
Depreciation	185	165
(Profit) on sale of fixed assets	(3)	(22)
(Increase)/decrease in stocks	(19)	8
Decrease/(increase) in debtors	198	(1,245)
Increase in creditors	<u>71</u>	<u>760</u>
Net cash inflow from operating activities	768	159

(2) Analysis of changes in cash and cash equivalents

Movement in cash at bank and in hand	-	-
Movement in bank overdraft	<u>35</u>	<u>(337)</u>
(Decrease)/increase in cash and cash equivalents	35	(337)

(3) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	<u>1996</u> £'000	<u>1995</u> £'000	Change in year £'000
Cash at bank and in hand	1	1	-
Bank overdraft	<u>(1,544)</u>	<u>(1,579)</u>	<u>35</u>
	(1,543)	(1,578)	35