

OWEN TAYLOR AND SONS LIMITED

DIRECTORS MRS C E TAYLOR
MR R J O TAYLOR

SECRETARY MRS C E TAYLOR

REGISTERED OFFICE 27 MAIN ROAD
LEABROOKS
DERBY

FINANCIAL STATEMENTS - YEAR ENDED 31ST OCTOBER 2004

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OWEN TAYLOR AND SONS LIMITED

REPORT OF THE DIRECTORS

The Directors present their annual report with the financial statements of the Company for the year ended 31st October 2004.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company's principal activity is wholesale and catering butchers. The Directors consider the results for the year to be satisfactory and expect future improvements as the new computer systems will improve costings information and increase profitability. It is considered that the introduction of the euro will be at immaterial cost and risk to the company. The Directors do not propose to pay a dividend for the year.

DIRECTORS

The Directors in office during the year and their beneficial interest in the Company's issued ordinary share capital were as follows:

	2004	2003
Mrs C E Taylor	20572	20572
Mr R J O Taylor	60102	60102

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 as at the end of the financial year and of the results of the Company for that period. In preparing those financial statements, the Directors are required to:-

- (i) Select suitable accounting policies and then apply them consistently
- (ii) Make judgements and estimates that are reasonable and prudent
- (iii) Prepare the financial statements on a going concern basis unless it is not appropriate 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 to enable them to ensure that the financial statements 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.

AUDITORS

The auditors, Richardson Nutt Limited will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the Board of Directors



R J O TAYLOR (Director)

Approved by the Board on 18 - 8 - 05

OWEN TAYLOR AND SONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OWEN TAYLOR AND SONS LIMITED

We have audited the financial statements of Owen Taylor and Sons Limited for the year ended 31 October 2004 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with section 235 of the Companies Act 1985. Our work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

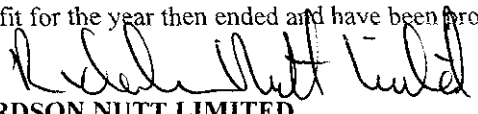
BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the 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 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 financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st October 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


RICHARDSON NUTT LIMITED
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

17-8-05

7 Stadium Business Court
Millennium Way
Pride Park
Derby

OWEN TAYLOR AND SONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST OCTOBER 2004

	NOTE NO	2004 £	2003 £
TURNOVER	1(e)	7757835	6945250
Cost of Sales		6873854	6160044
GROSS PROFIT		883981	785206
Distribution Costs		(341159)	(307785)
Administrative Expenses		(473096)	(480314)
Other Operating Income		19329	15230
OPERATING PROFIT	2	89055	12337
Interest Receivable and Similar Income		168	504
Interest Payable	4	(20939)	(20246)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		68284	(7405)
Tax on profit/(loss) on ordinary activities	5	(12758)	(840)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION BEING THE PROFIT FOR THE FINANCIAL YEAR		55526	(6565)
Dividends Proposed		-	-
RETAINED PROFIT/(LOSS) FOR THE YEAR		55526	(6565)

CONTINUING OPERATIONS

There were no acquisitions or discontinued operations during the current or preceding year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

OWEN TAYLOR AND SONS LIMITED

BALANCE SHEET AS AT 31ST OCTOBER 2004

	Note No	2004 £	2003 £
Fixed Assets			
Tangible Assets	6	863118	915322
Current Assets			
Stocks	7	392435	308436
Debtors	8	1088232	900493
Investments	9	50000	50000
Cash at Bank and in Hand		150	3434
		1530817	1262363
Creditors: Amounts falling due within one year	10	1242569	1057665
Net Current Assets		288248	204698
Total Assets Less Current Liabilities		1151366	1120020
Creditors – Amounts falling due after more than one year	10	78677	111425
		1072689	1008595
Provision for Liabilities and Charges	19	33796	25228
		1038893	983367
Capital and Reserves			
Called Up Share Capital	11	80674	80674
Profit and Loss Account		958219	902693
Shareholders Funds	15	1038893	983367

Signed on behalf of the Board of Directors


 R J O Taylor
 Director

Approved by the Board on

11/08/05
 Date

OWEN TAYLOR AND SONS LIMITED

CASH FLOW STATEMENT – YEAR ENDED 31 OCTOBER 2004

	2004		2003	
	£	£	£	£
Net cash inflow from operating activities (Note 16)		118943		198700
Returns on investments and servicing of finance				
Interest received	168		231	
Dividends received	-		273	
Interest paid	(17863)		(16585)	
Interest element on finance leases	(3076)		(3661)	
Net cash (outflow) from returns on investments and servicing of finance		(20771)		(19742)
Taxation				
Corporation tax (paid)		(4793)		(29969)
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets	(17925)		(269532)	
Receipts from sales of tangible fixed assets	28089		6225	
Net cash outflow for capital expenditure and financial investment		10164		(263307)
		103543		(114318)
Financing				
Capital element of finance lease payments		(35972)		(36047)
Increase/(Decease) in cash (Note 17)		67571		(150365)

OWEN TAYLOR AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST OCTOBER 2004

1 ACCOUNTING POLICIES

(a) **Convention**

The Financial statements have been prepared under the historical cost convention and applicable Accounting Standards.

(b) **Depreciation**

Depreciation is provided on all tangible fixed assets other than freehold land and buildings and investment property at rates calculated to write off the cost over their estimated useful lives as follows:-

Cold Store and Refrigeration Plant	- 10% p.a. straight line
Plant and Machinery	- 15% p.a. reducing balance
Motor Vehicles	- 25% p.a. reducing balance on assets acquired pre 1/11/03
	- 25% straight line on assets acquired after 1/11/03
Computers	- 33 1/3% p.a. straight line

Freehold buildings are depreciated on a straight line basis at 2% p.a. No depreciation is provided on freehold land.

(c) **Stock**

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

(d) **Deferred Taxation**

Deferred taxation is accounted for in accordance with the requirements of FRS 19.

(e) **Turnover**

Turnover is the amount derived from ordinary activities and stated after trade discounts, other sales taxes and net of VAT.

(f) **Defined Contribution Scheme**

Contributions in respect of the Company's defined contribution scheme are charged to the Profit and Loss Account for the year in which they are payable to the scheme.

(g) **Leased Assets**

Where assets are financed by lease purchase agreements that give rights approximating to ownership the assets are treated as if they had been purchased outright. The amount capitalised is the cost of the asset to the lease purchase company. The corresponding liability to the lease purchase company is included as an obligation under lease purchase agreements. Depreciation on these assets is charged to the profit and loss account on the same basis as above. Lease purchase payments are treated as consisting of capital and interest elements, and interest is charged to the profit and loss account on a straight line basis.

All other leases are treated as "operating leases" and the relevant annual rentals are charged to the profit and loss account.

(h) **Government Grants**

Government grants are recognised in the profit and loss account so as to match them with the expenditure towards which they are intended to contribute.

Total government grants received during the year amounted to £nil (2003 - £141897). This is being recognised in the profit and loss account over 10 years (£14190 p.a.).

OWEN TAYLOR AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST OCTOBER 2004 (CONTINUED)

2 OPERATING PROFIT

The operating profit is stated after charging:

	2004	2003
	£	£
Depreciation	109434	123536
Auditors' Remuneration	9200	9800
Operating Lease Charges	20187	12763
Directors Emoluments	41601	36640
Directors Pensions	5733	5990
Other Pensions	12697	12348

Pension benefits are accruing for 1 director under money purchase schemes.

3 EMPLOYEE INFORMATION

	2004	2003
Total average monthly number of employees:		
Selling and Distribution	70	68
Administration	4	4
	74	72
Their total remuneration was:		
Wages and Salaries	1160384	1079212
Social Security	103265	91049
Pension Costs	18430	18338

4 INTEREST PAYABLE

	2004	2003
	£	£
Bank Loan and Overdraft Interest	17863	16585
Lease Purchase Interest	3076	3661
	20939	20246

5 TAXATION

	2004	2003
	£	£
UK Corporation Tax based on profit for year	4194	4828
Adjustments in respect of previous periods	(573)	(575)
Deferred Tax	9141	(5089)
Interest on (overpaid) Taxation	(4)	(4)
	12758	(840)

Factors Affecting the Tax Charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained over the page.

OWEN TAYLOR AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 OCTOBER 2004 (CONTINUED)

5 TAXATION (CONT/D)

	2004 £	2003 £
Profit/(Loss) on ordinary activities before tax	68284	(7405)
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2003 – 19%)	12974	(1406)
Expenses not deductible for tax purposes	566	683
Franked Investment Income taxed at lower rates	-	(25)
Corporation tax rate adjustment (marginal relief)	(1061)	(923)
Capital Allowances (in excess of)/less than depreciation	(5589)	(20013)
Deferred Grant Income taxed in full in previous year	(2696)	24264
Tax on loss on investment	-	2248
	4194	4828

6 TANGIBLE ASSETS

	Freehold Land & Buildings £	Cold Store & Refrigeration Plant £	Plant & Machinery £	Motor Vehicles £	Computers £	Total £
COST						
At 1 November 2003	254940	473290	427072	217190	25670	1398162
Additions	-	-	28573	36305	20440	85318
Disposals	-	-	1700	63975	-	65675
At 31 October 2004	254940	473290	453945	189520	46110	1417805
DEPRECIATION						
At 1 November 2003	54207	47329	254386	108213	18705	482840
Charge for the Year	4505	47329	27506	28804	3678	111822
On Disposals	-	-	1168	38807	-	39975
At 31 October 2004	58712	94658	280724	98210	22383	554687
NET BOOK VALUE						
At 31 October 2004	196228	378632	173221	91310	23727	863118
At 31 October 2003	200733	425961	172686	108977	6965	915322

Freehold land and buildings are stated at cost.

The cost of motor vehicles and plant and machinery includes £73489 and £16500 respectively (2003 - £91443 and £nil) in respect of assets held under finance leases. Depreciation charged in the year in respect of these assets were £11444 and £441. (2003 - £18268 and £nil). Accumulated depreciation on these assets amounted to £15927 and £441. (2003 - £33539 and £nil).

7 STOCK

	2004 £	2003 £
Raw materials and consumables	11490	8966
Finished goods and goods for resale	380945	299470
	392435	308436

OWEN TAYLOR AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST OCTOBER 2004 (CONTINUED)

8 DEBTORS

	2004	2003
	£	£
Trade debtors	1034287	861681
Other debtors	40745	23182
Prepayments and accrued income	13200	15630
	1088232	900493

9 INVESTMENTS

This comprises the following:-

	2004	2003
	£	£
Flexible Bond (Unit Linked Whole Life Assurance Policy)	50000	50000

The market value of these investments at 31 October 2004 was £102935 (2003 - £94685).

10 CREDITORS

	Due Within One Year		Due After More Than One Year	
	2004	2003	2004	2003
	£	£	£	£
Trade Creditors	770782	565000	-	-
Taxation and Social Security	32772	33106	-	-
Other Creditors	47882	34684	27412	10189
Accruals and Deferred Income	129556	142413	-	-
Bank Loan and Overdraft (secured)	261577	282462	51265	101236
	1242569	1057665	78677	111425

Other creditors includes £66131 (2003 - £34710) secured under finance lease agreements, falling due as follows:-

	2004	2003
	£	£
Falling due within one year	38719	24520
Falling due between two and five years	27412	10190

The bank loan and overdraft is secured on freehold land and buildings whilst the amounts outstanding on finance lease are secured on the assets to which the agreements relate.

The bank loan is repayable as follows:-

	2004	2003
	£	£
Falling due within one year	50000	50000
Falling due between one and two years	50000	50000
Falling due between two and five years	-	50000

OWEN TAYLOR AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST OCTOBER 2004 (CONTINUED)

11	CALLED UP SHARE CAPITAL	2004	2003
	Authorised		
	Ordinary Shares of £1 each	200000	200000
	Allotted, Issued and Fully Paid		
	Ordinary Shares of £1 each	80674	80674

12 CONTINGENT LIABILITIES

There is a contingent liability of £142435 in respect of uninsured stock.

13 FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are due to expire as follows:-

	2004	2003
	£	£
Plant and Equipment		
Less than one year	548	6597
Two and Five Years inclusive	8580	5440
Over Five Years	-	3060

There were capital commitments of £35471 (2003 - £nil) in respect of a finance lease agreement entered into before the year end but no repayments due until the current year. The amount to be repaid under finance is £43945.

14 TRANSACTIONS WITH RELATED PARTIES

Directors

The following sums were owing to the directors of the company.

	2004	2003
	£	£
Mrs C E Taylor	35	199
Mr R J O Taylor	5834	8834

During the year Mr R J O Taylor purchased a motor vehicle from the company at its open market value of £11000.

The company is under the control of Mr R J O Taylor, by virtue of his controlling shareholding.

15 SHAREHOLDERS FUNDS

	2004	2003
	£	£
Balance at 1 November 2003	983367	989932
Profit/(Loss) for the year	55526	(6565)
Balance at 31 October 2004 (Equity Interests)	1038893	983367

OWEN TAYLOR AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST OCTOBER 2004 (CONTINUED)

16 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2004	2003
	£	£
Operating Profit	89055	12337
Depreciation	111822	113871
(Profit)/Loss on Sale of Tangible Fixed Assets	(2388)	9665
(Increase)/Decrease in Stock	(83999)	(62282)
Increase in Debtors	(187739)	(63775)
(Increase)/Decrease in Investments	-	62257
Increase/(Decrease) in Creditors	192192	126627
	118943	198700

17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (Note 18)

	£
Increase in cash in the period	67571
Cash outflow from lease financing	35972
Change in net debt from cash flows	103543
New Finance Leases	(67393)
Movement in Net Debt in the Period	36150
Net Debt at 1 November 2003	(414974)
Net Debt at 31 October 2004	(378824)

18 ANALYSIS OF CHANGES IN NET DEBT

	At 1.11.03	Cash Flow	Other Changes	At 31.10.04
Cash in Hand and at Bank	3434	(3284)	-	150
Overdrafts	(232462)	20884	-	(211578)
Loans	(151236)	49971	-	(101265)
		67571		
Finance Leases	(34710)	35972	(67393)	(66131)
	(414974)	103543	(67393)	(378824)

19 PROVISION FOR LIABILITIES AND CHARGES

	2004	2003
Deferred Taxation (Fully Provided)		
Movement in Year		
At 1 November 2003	25228	30317
Movement for the Year	8568	(5089)
At 31 October 2004	33796	25228
Accelerated Capital Allowances	57612	51740
Capital Losses	(2248)	(2248)
Deferred (Grant) Income	(21568)	(24264)
	33796	25228

OWEN TAYLOR AND SONS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2004
2003

£	£		£	£
6945250		SALES		7757835
		COST OF SALES		
	246154	Opening Stock	308436	
	5124712	Purchases during the Year	5828777	
	5370866		6137213	
	308436	Less: Closing Stock	392435	
	5062430		5744778	
	1141282	Wages and National Insurance	1234001	
	8227	Cattle Haulage and Waste Disposal	18997	
	4278	Meat Inspection Fees and Levies	4635	
	99424	Wrapping Materials	75965	
6336273	20632	Incinerator Diesel	2272	7080648
608977		GROSS PROFIT		677187
	1040	Add: Rental Income	5139	
	140	Sundry Interest Received	168	
	364	Investment Income	-	
15734	14190	Government Grant	14190	19497
624711				696684
		OVERHEAD COSTS		
	28979	Directors Remuneration	29648	
	5990	Directors Pension Premiums	5733	
	12663	Staff Pension Premiums and Life Assurance	13075	
	15392	Rent and Rates	14673	
	36078	Heat and Light	43594	
	45640	Licences and Insurances	57142	
	88539	Repairs and Renewals	61196	
	95380	Motor Expenses	107981	
	4207	Carriage Outwards	4502	
	24983	Telephone, Postage and Stationery	29906	
	10598	Advertising	8453	
	25374	Cleaning Materials and Laundry	26350	
	10914	Sales Discounts	9799	
	21058	Bank Charges and Interest	24162	
	3660	Hire Purchase Interest	3294	
	9800	Audit and Accountancy Charges	9200	
	16292	Legal and Professional Charges	6576	
	13845	Provision for Bad Debts and Bad Debts written off	29796	
	5736	Computer Costs	5044	
	12763	Leasing Charges	20187	
	8857	Miscellaneous Expenses	8655	
	496748		518966	
		PROVISION FOR DEPRECIATION		
	47329	Cold Store and Refrigeration Plant	47329	
	4424	Freehold Buildings	4505	
	29838	Plant and Equipment	27506	
	1659	Computers	3678	
	30621	Motor Vehicles	28804	
620284	9665	(Profit)/Loss on Sale of Fixed Assets	(2388)	628400
4427		NET PROFIT FOR THE YEAR		68284
11832		Less: Loss on Sale of Investments		-
(7405)				68284