

# Roger Skinner Limited

## FINANCIAL STATEMENTS

for the year ended

31 March 2004



Company Registration No. 1272854

# Roger Skinner Limited

## DIRECTORS AND OFFICERS

---

### DIRECTORS

R A S Skinner  
G Panter  
M J Marjoram  
W L Skinner

(Chairman)  
(Managing Director)

### SECRETARY

W L Skinner

### COMPANY NUMBER

1272854 (England and Wales)

### REGISTERED OFFICE

The Mills  
Stradbroke, Near Eye  
Suffolk  
IP21 5HL

### AUDITORS

Baker Tilly  
7 The Close  
Norwich  
NR1 4DP

### BUSINESS ADDRESS

The Mills  
Stradbroke, Near Eye  
Suffolk  
IP21 5HL

### BANKERS

HSBC Bank plc  
1 Mount Street  
Diss  
Norfolk  
IP22 3QD

# Roger Skinner Limited

## DIRECTORS' REPORT

The directors present their report and financial statements of Roger Skinner Limited for the year ended 31 March 2004.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of pet food manufacturers and suppliers.

### REVIEW OF THE BUSINESS

The directors are pleased to report that the company has had another successful year. Although the return on capital employed at 17% is down on the previous year, this is entirely due to the higher than usual repairs and maintenance spend.

Since the year end, progress has continued to be made and trading is currently ahead of budget. The recent launch of a new hypo-allergenic diet has boosted sales further and the directors are confident that the company will make further headway in the current financial year.

### RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £128,511

The final dividend for the year ended 31 March 2004 was £84,348

### DIRECTORS

The following directors have held office since 1 April 2003:

R A S Skinner

G Panter

M E Skinner

(Resigned 31 March 2004)

M J Marjoram

W L Skinner

### DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary shares of £ 1 each</i>	
	31.3.04	1.4.03
R A S Skinner	920	919
M E Skinner	-	1
M J Marjoram	50	50
G Panter	-	-
W L Skinner	-	-

CHARITABLE DONATIONS	2004	2003
	£	£

During the year the company made the following payments:

Charitable donations	335	-
----------------------	-----	---

# Roger Skinner Limited

## DIRECTORS' REPORT (CONTINUED)

---

### SHARE PURCHASE

During the year 30 £1 ordinary shares were purchased by the company from Mrs S Brown for a consideration of £33,966. This holding represented 3% of the called up share capital. No other shares are held or have been held by the company during the year.

### AUDITORS

Baker Tilly were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

On behalf of the board

W L Skinner  
Director



20 October 2004

# Roger Skinner Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements 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 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROGER SKINNER LIMITED

We have audited the financial statements on pages 6 to 24.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 other information in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

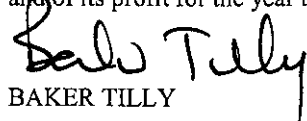
## **Basis of opinion**

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 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 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor  
Chartered Accountants  
7 The Close  
Norwich  
NR1 4DP

2 November 2004

# Roger Skinner Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2004

	Notes	2004 £	2003 £
TURNOVER	1	4,388,688	4,283,761
Cost of sales		1,835,971	1,945,854
Gross profit		2,552,717	2,337,907
Other operating expenses	2	2,281,238	1,999,693
OPERATING PROFIT		271,479	338,214
Exceptional item	5	-	(152,765)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		271,479	185,449
Investment income	3	1,021	485
		272,500	185,934
Interest payable	4	46,870	48,503
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	225,630	137,431
Taxation	7	97,119	62,226
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		128,511	75,205
Dividends	8	84,348	-
RETAINED PROFIT FOR THE YEAR	18	44,163	75,205

The operating profit for the year arises from the company's continuing operations.

There was no material difference between the historical cost profit before taxation and the profit on ordinary activities before taxation in either 2004 or 2003.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

# Roger Skinner Limited

## BALANCE SHEET

31 March 2004

	Notes	2004 £	2003 £
<b>FIXED ASSETS</b>			
Intangible assets	9	30,836	42,773
Tangible assets	10	1,261,422	1,403,466
		<u>1,292,258</u>	<u>1,446,239</u>
<b>CURRENT ASSETS</b>			
Stocks	12	290,229	250,016
Debtors	13	593,950	599,429
Cash at bank and in hand		9,633	9,180
		<u>893,812</u>	<u>858,625</u>
CREDITORS: Amounts falling due within one year	14	854,192	1,005,501
		<u>39,620</u>	<u>(146,876)</u>
NET CURRENT ASSETS/(LIABILITIES)			
TOTAL ASSETS LESS CURRENT LIABILITIES		1,331,878	1,299,363
CREDITORS: Amounts falling due after more than one year	15	(288,342)	(299,021)
PROVISIONS FOR LIABILITIES AND CHARGES	16	(34,715)	(1,718)
		<u>1,008,821</u>	<u>998,624</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	970	1,000
Revaluation reserve	18	209,615	209,615
Other reserves	18	141	111
Profit and loss account	18	798,095	787,898
SHAREHOLDERS' FUNDS	19	<u>1,008,821</u>	<u>998,624</u>

Approved by the Board on 24 October 2004

R A S Skinner  Director

G Panter  Director



# Roger Skinner Limited

## CASH FLOW STATEMENT

for the year ended 31 March 2004

	<i>Notes</i>	2004 £	2003 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20	348,546	512,131
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		995	450
Interest paid		(38,435)	(38,864)
Interest element of finance lease rentals		(8,435)	(9,639)
Dividends received		26	35
Net cash outflow for returns on investments and servicing of finance		(45,849)	(48,018)
TAXATION		(58,783)	(17,999)
CAPITAL EXPENDITURE			
Payments to acquire intangible assets		-	(42,773)
Payments to acquire tangible assets		(41,475)	(183,014)
Receipts from sales of tangible assets		8,599	33,938
Net cash outflow for capital expenditure		(32,876)	(191,849)
Net cash inflow before management of liquid resources and financing		211,038	254,265
FINANCING			
Purchase of own shares		(33,966)	-
Repayment of long term bank loan		(37,252)	(30,615)
Capital element of finance lease contracts		(79,481)	(70,550)
Net cash outflow from financing		(150,699)	(101,165)
(DECREASE)/INCREASE IN CASH IN THE YEAR		60,339	153,100

# Roger Skinner Limited

## ACCOUNTING POLICIES

---

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

### GOODWILL

Goodwill representing the excess of the purchase price compared with the fair value of assets acquired is capitalised and written off over 4 years as in the opinion of the directors this represents the period over which the goodwill is effective.

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost or valuation less depreciation.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Land and buildings Freehold	Additions over a period between 2 - 5 years
Plant and machinery	over a period between 1 - 5 years
Fixtures, fittings & equipment	over a period between 1 - 5 years
Motor vehicles	40% - 50% straight line

Freehold land and buildings, with the exception of additions, are not depreciated. Although the non depreciation of buildings is contrary to the requirements of the Companies Act 1985, the directors are of the opinion that, after taking into account ongoing refurbishment and repair work year to year, the useful economic life is so long and the residual value of the freehold buildings is so high that any charge for depreciation would not be material either for the year or on a cumulative basis. The directors monitor the valuation of the property on a regular basis and have adopted a policy for revaluation of the property to continually measure the above policy. The property is reviewed annually for any provisions for impairment that may be necessary as a result of the above policy to comply with Financial Reporting Standard No. 15.

### STOCK

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax balances are not discounted.

### 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 during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

# Roger Skinner Limited

## ACCOUNTING POLICIES (CONTINUED)

---

### PENSIONS CONTRIBUTIONS

The company pays contributions into the personal pension plans of some employees and directors. The pension charge in the financial statements represents the amounts payable by the company to these plans in respect of the year.

### FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

### LIQUID RESOURCES

Liquid resources are defined as readily disposable stores of value convertible into known amounts of cash at or close to their carrying amount.

### COMPARATIVES

Some comparatives have been amended to ensure consistent disclosure.

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

### 1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover is attributable to one class of business.

By geographical market:

	Turnover	
	2004	2003
	£	£
United Kingdom	4,255,393	4,196,274
European Union	114,421	70,539
Other	18,875	16,948
	<u>4,388,689</u>	<u>4,283,761</u>

### 2. OTHER OPERATING EXPENSES

	2004	2003
	£	£
Distribution costs	975,805	912,643
Administrative expenses	1,305,433	1,087,050
	<u>2,281,238</u>	<u>1,999,693</u>

### 3. INVESTMENT INCOME

	2004	2003
	£	£
Bank interest	990	450
Other investment income and interest	31	35
	<u>1,021</u>	<u>485</u>

### 4. INTEREST PAYABLE

	2004	2003
	£	£
On bank loans and overdrafts	37,123	38,864
Lease finance charges	8,435	9,639
Other interest	1,312	-
	<u>46,870</u>	<u>48,503</u>

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2004	2003
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	11,937	-
Depreciation of tangible assets:		
Charge for the year:		
owned assets	132,768	132,031
leased assets	56,971	44,819
Profit on disposals	(3,597)	(10,200)
Exceptional items	-	152,765
Loss on foreign exchange transactions	929	-
Auditors' remuneration	6,000	3,570

Included within the 2003 exceptional item was the following amounts:

Amounts written off investments:

The investment in Repnor Gold Limited of £71,980 was written off during the year ended 31 March 2003, as the company ceased to trade and all assets and trade was transferred into Roger Skinner Limited. The balance sheet of Repnor Gold Limited was insolvent at that year end. The investment in Repnor Gold was therefore written off to represent this.

Bad debts:

Included within trade debtors for the year ended 31 March 2003, was an amount due from Repnor Gold Limited of £80,785. Following the transfer of the trade from Repnor Gold Limited to the Company, this amount was no longer considered recoverable by Roger Skinner Limited and therefore was written off.

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

### 6. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:	2004 No.	2003 No.
Management and office	12	10
Production and sales	29	34
	<u>41</u>	<u>44</u>

Staff costs for the above persons:

	£	£
Wages and salaries	809,372	796,911
Social security costs	82,988	79,317
Other pension costs	23,728	15,517
	<u>916,088</u>	<u>891,745</u>

### DIRECTORS' REMUNERATION

	2004 £	2003 £
Emoluments for qualifying services	231,895	235,032
Company pension contributions to money purchase schemes	20,000	12,684
	<u>251,895</u>	<u>247,716</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	73,443	83,565
Company pension contributions to money purchase schemes	20,000	6,492

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

7. TAXATION	2004 £	2003 £
Domestic current year tax		
U.K. corporation tax	57,897	58,791
Adjustment for prior years	6,225	2,401
	<u>64,122</u>	<u>61,192</u>
Current tax charge		
Deferred tax		
Origination and reversal of timing differences	32,997	1,034
	<u>97,119</u>	<u>62,226</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>225,630</u>	<u>137,431</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 19.00%)	<u>67,689</u>	<u>26,112</u>
Effects of:		
Non deductible expenses	10,429	29,828
Capital allowances in excess of depreciation	12,704	-
Tax losses utilised	-	(9,827)
Adjustments to previous periods	6,225	2,401
Small company relief	(32,921)	12,715
Effect of change in rate of deferred tax provision brought forward	-	(37)
Other tax adjustments	(4)	-
	<u>(3,567)</u>	<u>35,080</u>
Current tax charge	<u>64,122</u>	<u>61,192</u>
8. DIVIDENDS	2004 £	2003 £
Ordinary:		
Final proposed - £86.96 (2003 - Nil)	<u>84,348</u>	<u>-</u>

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

---

### 9. INTANGIBLE FIXED ASSETS

	<i>Goodwill</i> £
Cost	
1 April 2003 and 31 March 2004	42,773
Amortisation	
1 April 2003	-
Charge in the year	11,937
31 March 2004	11,937
Net book value	
31 March 2004	30,836
31 March 2003	42,773



# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

### 10. TANGIBLE FIXED ASSETS

	<i>Land and buildings Freehold</i>	<i>Plant and machinery</i>	<i>Fixtures, fittings &amp; equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£	£
Cost or valuation					
1 April 2003	951,398	864,194	97,283	199,749	2,112,624
Additions	-	719	17,867	34,111	52,697
Disposals	-	-	-	(27,225)	(27,225)
31 March 2004	951,398	864,913	115,150	206,635	2,138,096
Depreciation					
1 April 2003	175	516,415	82,505	110,063	709,158
Charge in the year	697	112,543	13,935	62,564	189,739
Disposals	-	-	-	(22,223)	(22,223)
31 March 2004	872	628,958	96,440	150,404	876,674
Net book value					
31 March 2004	950,526	235,955	18,710	56,231	1,261,422
31 March 2003	951,223	347,779	14,778	89,686	1,403,466

On 8 July 2002, P Edwards of EWS Chartered Surveyors, completed a valuation of the company's freehold land and buildings. The valuation was carried out in accordance with RICS Appraisal and Valuation Manual (the Red Book). The valuation is based on an open market valuation. If the valuation was based on an existing use basis then it would have been valued at £850,000. The directors have taken professional advice and are of the opinion that the carrying value of the property at the year end equates to current open market value.

The valuation history of the property is as follows. Cost - £932,454, valuation on 19 November 1997 - £635,000 valuation on 8 July 2002 - £950,000.

On an historical cost basis land and buildings would have been included at:

	£
Cost	
1 April 2003 and 31 March 2004	933,852
Depreciation based on cost	
1 April 2003	175
Charge in the year	697
31 March 2004	872
Net book value	
31 March 2004	932,980
31 March 2003	933,677

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

---

### 10. TANGIBLE FIXED ASSETS (continued)

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

	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Net book value			
31 March 2004	51,965	35,365	87,330
31 March 2003	65,087	50,782	115,869

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

### 11. FIXED ASSET INVESTMENTS

	<i>Shares in group undertakings</i>
	£
Cost or valuation	
1 April 2003 and 31 March 2004	71,980
Provisions for diminution in value	
1 April 2003 and 31 March 2004	71,980
Net book value	
31 March 2004	-
31 March 2003	-

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:

<i>Company</i>	<i>Country of registration or incorporation</i>	<i>Shares held</i>	
		<i>Class</i>	<i>%</i>
Subsidiary undertakings			
Repnor Gold Limited	United Kingdom	Ordinary voting	80

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	<i>Capital and reserves</i>	<i>Profit/(loss) for the year</i>
	£	£
Repnor Gold Limited	(80,785)	-

Roger Skinner Limited also holds 100% of the ordinary non-voting shares of Repnor Gold Limited.

Repnor Gold Limited ceased to trade on 28 March 2003 and the trade was transferred to Roger Skinner Limited. The investment in the subsidiary has therefore been fully written down at 31 March 2003. The company was dormant during its latest financial year.

Group accounts are not prepared by virtue of the exemption available to small and medium sized groups contained within section 248 of the Companies Act 1985.

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

12. STOCKS	2004 £	2003 £
Raw materials and consumables	159,890	152,361
Finished goods and goods for resale	130,339	97,655
	<u>290,229</u>	<u>250,016</u>
13. DEBTORS	2004 £	2003 £
Due within one year:		
Trade debtors	553,273	534,226
Other debtors	587	35,924
Prepayments and accrued income	40,090	29,279
	<u>593,950</u>	<u>599,429</u>
14. CREDITORS: Amounts falling due within one year	2004 £	2003 £
Bank overdraft	105,290	165,176
Bank loans	39,735	55,971
Obligations under finance lease and hire purchase contracts	69,877	61,332
Trade creditors	386,440	558,013
Corporation tax	64,130	58,791
Other taxes and social security costs	54,078	38,669
Other creditors	5,292	-
Accruals and deferred income	45,002	67,549
Proposed dividend	84,348	-
	<u>854,192</u>	<u>1,005,501</u>

The bank loans and overdraft are secured by the following:

Legal charges on life policies of one of the directors.

Debenture including fixed equitable charge over all present and future freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital and first floating charge over all assets and undertakings to be given by the company.

Bank loans bear interest at 2-2.75% above bank base rates and are repayable in monthly instalments.

The bank overdraft bears interest at 2% above bank base rates.

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

15. CREDITORS: Amounts falling due in more than one year	2004 £	2003 £
Bank loans	265,854	286,870
Obligations under finance leases and hire purchase agreements	22,488	12,151
	<u>288,342</u>	<u>299,021</u>
Loans		
Wholly repayable within five years	305,589	342,841
Included in current liabilities	(39,735)	(55,971)
	<u>265,854</u>	<u>286,870</u>
Loan maturity analysis:		
In more than one year but not more than two years	42,291	55,971
In more than two years but not more than five years	152,121	167,913
In more than five years	71,442	62,986
	<u>2004 £</u>	<u>2003 £</u>
Obligations under finance leases and hire purchase contracts:		
Repayable within one year	69,877	61,332
Repayable between two and five years	22,488	12,151
	<u>92,365</u>	<u>73,483</u>
	92,365	73,483
Included in current liabilities	(69,877)	(61,332)
	<u>22,488</u>	<u>12,151</u>

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

### 16. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation £</i>
Balance at 1 April 2003	1,718
Transfer from profit and loss account	32,997
	<hr/>
Balance at 31 March 2004	34,715
	<hr/>

Deferred taxation provided in the financial statements is as follows:

	2004 £	2003 £
Excess of tax allowances over depreciation	37,777	1,718
Other timing differences	(3,062)	-
	<hr/>	<hr/>
	34,715	1,718
	<hr/>	<hr/>

### 17. SHARE CAPITAL

	2004 £	2003 £
Authorised:		
5,000 Ordinary shares of £1 each	5,000	5,000
	<hr/>	<hr/>
Allotted, issued and fully paid:		
970 Ordinary shares of £1 each	970	1,000
	<hr/>	<hr/>

During the year the company had the opportunity to re-purchase 30 ordinary £1 shares for a total consideration of £33,966.

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

### 18. STATEMENT OF MOVEMENT ON RESERVES

	<i>Revaluation reserve £</i>	<i>Other reserves (see below) £</i>	<i>Profit and loss account £</i>
1 April 2003	209,615	111	787,898
Retained profit for the year	-	-	44,163
Purchase of own shares	-	-	(33,966)
Movement during the year	-	30	-
31 March 2004	<u>209,615</u>	<u>141</u>	<u>798,095</u>

#### Other reserves

##### Capital redemption reserve

1 April 2003

111

Capital redemption reserve movement

30

31 March 2004

141

### 19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit for the financial year	128,511	75,205
Dividends	(84,348)	-
Purchase of own shares	(33,966)	-
Net addition to shareholders' funds	<u>10,197</u>	<u>75,205</u>
Opening shareholders' funds	998,624	923,419
Closing shareholders' funds	<u>1,008,821</u>	<u>998,624</u>

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

20. CASH FLOWS

	2004	2003
	£	£
a. Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	271,479	338,214
Depreciation of tangible assets	189,739	176,850
Amortisation of intangible assets	11,937	-
Profit on disposal of tangible assets	(3,597)	(10,200)
(Increase)/decrease in stocks	(40,213)	68,765
Decrease in debtors	5,479	229,672
Decrease in creditors within one year	(86,278)	(210,385)
Amounts written off investments	-	(80,785)
Net cash inflow from operating activities	348,546	512,131

b. Analysis of net debt	1 April 2003	Cash flow	Other non-cash changes	31 March 2004
	£	£	£	£
Net cash:				
Cash at bank and in hand	9,180	453	-	9,633
Bank overdrafts	(165,176)	59,886	-	(105,290)
	(155,996)	60,339	-	(95,657)
Debt:				
Finance leases	(73,483)	79,481	(98,362)	(92,364)
Debts falling due within one year	(55,971)	16,236	-	(39,735)
Debts falling due after one year	(286,870)	21,016	-	(265,854)
	(416,324)	116,733	(98,362)	(397,953)
Net debt	(572,320)	177,072	(98,362)	(493,610)

c. Reconciliation of net cash flow to movement in net debt	2004	2003
	£	£
Increase in cash in the year	60,339	153,100
Cash outflow from decrease in debt and lease financing	116,733	48,356
Change in net debt resulting from cash flows	177,072	201,456
New finance lease	(98,362)	-
Movement in net debt in the year	78,710	201,456
Opening net debt	(572,320)	(773,776)
Closing net debt	(493,610)	(572,320)



# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2004

---

### 21. OTHER FINANCIAL COMMITMENTS

At the year end the company had entered into forward contracts for the purchase of raw materials to the value of £159,910 (2003 - £172,750). This has not been accrued within these accounts as a liability as no stock was physically held by the company.

### 22. PENSION COMMITMENTS

#### MONEY PURCHASE SCHEME

The company pays contributions into the personal pension plans of some employees and directors. The funds are kept separate from those of the company in separately administered funds.

	2004 £	2003 £
Contributions payable by the company for the year	<u>23,728</u>	<u>15,517</u>

### 23. CONTROL

The company is controlled by R A S Skinner.

### 24. RELATED PARTY TRANSACTIONS

During the year the company sold goods to Salters Pet Nutrition, a partnership of which R A S Skinner is a partner, to the value of £118,000 (2003 - £111,873). At the year end £20,363 (2003 - £54,298) was outstanding and £1,763 (2003 - £NIL) was due.

During the year the company sold goods to Salter & Skinner, a partnership of which R A S Skinner is a partner, to the value of £1,500 (2003 - £NIL). At the year end £NIL (2003 - £NIL) was outstanding.

During the year the company made purchases on an arms length basis from Darsham Tyre & Exhaust Centre, a partnership of which R A S Skinner is a partner, to the value of £675 (2003 - £NIL). At the year end, the balance due was £290 (2003 - £NIL).

During the year, the company repurchased 30 £1 ordinary shares from the minority shareholder, Mrs S E Brown, a sibling of Mr R Skinner.

Included within debtors is a loan of £NIL (2003 - £608) to Roger and Wendy Skinner, directors. The maximum amount outstanding during the year was £191,536 (2003 - £65,020).

On the 31 March 2004, Mrs M E Skinner, director, transferred her £1 ordinary share to Roger Skinner, director.