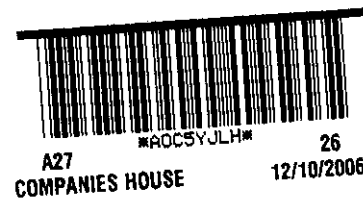


# Roger Skinner Limited

## FINANCIAL STATEMENTS

for the year ended

31 March 2006



Company Registration No. 1272854

# Roger Skinner Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

R A S Skinner

G Panter

M J Marjoram

M E Skinner

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

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The directors present their report and financial statements of Roger Skinner Limited for the year ended 31 March 2006.

### PRINCIPAL ACTIVITIES

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

### REVIEW OF THE BUSINESS

I am pleased to report that the profitability of the business has continued to increase for the fifth consecutive year to a profit before interest and tax of £342,420.

As expected, trading conditions have been difficult and we have seen considerable changes to our customer profile via acquisition and divestment. Additionally we have experienced significant increases in our energy costs which has impacted on all aspects of our business.

Heavy capital expenditure in excess of half a million pounds has made our production more efficient for the time being, but further expenditure will be required over future years to keep this momentum going.

A secondary threat to raw material costs is the development of bio-fuel plants, where cereal and oil seed crops provide the base raw material. It is possible that this development could alter the balance of supply and demand thus lifting cereal grain prices over the next few years.

Bird flu also had a negative effect on our export business by restricting the use of poultry products in the formulas to certain overseas outlets. This problem has been overcome and I am pleased to say that export sales were well ahead in the first quarter of the year.

Furthermore we continue to develop new products to take advantage of the maturing UK market via differentiation and innovation. But above all our commitment to providing our customers with the highest levels of quality and service remains paramount.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In common with every other business, the company aims to minimise financial risk. The measures used by the directors to manage this risk include preparation of profit forecasts and regular monitoring of actual performance against these forecasts. Debtors are closely monitored to keep the risk of bad debts to a minimum.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

### RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £225,665

The directors authorised payment of dividends of £94,891 during the year.

# Roger Skinner Limited

## DIRECTORS' REPORT (CONTINUED)

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### DIRECTORS

The following directors have held office since 1 April 2005:

R A S Skinner  
G Panter  
M J Marjoram  
M E Skinner  
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>	
	31.3.06	1.4.05
R A S Skinner	920	920
M J Marjoram	50	50
G Panter	-	-
M E Skinner	-	-
W L Skinner	-	-

CHARITABLE DONATIONS	2006	2005
	£	£

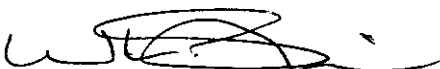
During the year the company made the following payments:

Charitable donations	214	260
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### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants will be put to the members at the annual general meeting.

On behalf of the board



W L Skinner  
Director

18 September 2006

# Roger Skinner Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 AUDITORS' 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 auditors' 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 the 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 (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 or 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 other transactions is not disclosed.

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

## **Basis of audit opinion**

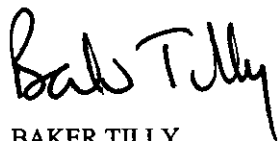
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 March 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



BAKER TILLY  
Registered Auditor  
Chartered Accountants  
7 The Close  
Norwich  
NR1 4DP

4 October 2006

# Roger Skinner Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2006

	<i>Notes</i>	2006 £	2005 £
TURNOVER	1	4,567,654	4,395,956
Cost of sales		<u>1,921,507</u>	<u>1,913,351</u>
Gross profit		2,646,147	2,482,605
Other operating expenses (net)	2	<u>2,303,727</u>	<u>2,153,737</u>
OPERATING PROFIT		342,420	328,868
Investment income	3	<u>880</u>	<u>1,390</u>
		343,300	330,258
Interest payable	4	<u>57,012</u>	<u>49,874</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	286,288	280,384
Taxation	7	<u>60,623</u>	<u>56,508</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	<u><u>225,665</u></u>	<u><u>223,876</u></u>

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

# Roger Skinner Limited

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 March 2006

	2006 £	2005 £
Profit for the financial year	225,665	223,876
Unrealised surplus on revaluation of properties	-	498,602
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	<u>225,665</u>	<u>722,478</u>



# Roger Skinner Limited

## BALANCE SHEET

31 March 2006

	Notes	2006 £	2005 £ <i>Restated</i>
<b>FIXED ASSETS</b>			
Intangible assets	9	6,959	18,899
Tangible assets	10	2,157,574	1,866,685
		<u>2,164,533</u>	<u>1,885,584</u>
<b>CURRENT ASSETS</b>			
Stocks	12	265,226	259,819
Debtors	13	779,510	783,946
Cash at bank and in hand		49,859	5,194
		<u>1,094,595</u>	<u>1,048,959</u>
CREDITORS: Amounts falling due within one year	14	800,814	884,574
		<u>293,781</u>	<u>164,385</u>
NET CURRENT ASSETS			
		<u>2,458,314</u>	<u>2,049,969</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: Amounts falling due after more than one year	15	(505,447)	(270,986)
PROVISIONS FOR LIABILITIES AND CHARGES	16	(89,922)	(46,812)
		<u>1,862,945</u>	<u>1,732,171</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	970	970
Revaluation reserve	18	709,089	709,089
Other reserves	18	141	141
Profit and loss account	18	1,152,745	1,021,971
SHAREHOLDERS' FUNDS	19	<u>1,862,945</u>	<u>1,732,171</u>

The financial statements on pages 6 to 24 were approved by the board of directors and authorised for issue on 18 September 2006 and are signed on its behalf by:

R A S Skinner  Director

G Panter  Director

# Roger Skinner Limited

## CASH FLOW STATEMENT

for the year ended 31 March 2006

	<i>Notes</i>	2006 £	2005 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20	556,406	384,712
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		843	1,357
Interest paid		(45,865)	(43,259)
Interest element of finance lease rentals		(11,147)	(6,615)
Dividends received		37	33
Net cash outflow for returns on investments and servicing of finance		(56,132)	(48,484)
TAXATION		(44,414)	(64,130)
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(72,955)	(130,305)
Receipts from sales of tangible assets		34,750	34,118
Net cash outflow for capital expenditure		(38,205)	(96,187)
EQUITY DIVIDENDS PAID		(94,891)	(84,348)
Net cash inflow before management of liquid resources and financing		322,764	91,563
FINANCING			
New long term bank loan		-	275,720
Other new short term loans		220,000	-
Government grant received		25,000	-
Repayment of long term bank loan		(48,438)	(309,366)
Repayment of other short term loans		(220,000)	-
Capital element of finance lease contracts		(89,738)	(121,989)
Net cash outflow from financing		(113,176)	(155,635)
INCREASE/(DECREASE) IN CASH IN THE YEAR		209,588	(64,072)

# Roger Skinner Limited

## ACCOUNTING POLICIES

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### 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.

In the current year the company has adopted Financial Reporting Standard 21 - Events after the Balance Sheet Date -for the first time. As a result dividends can only be recognised once they have been passed at a General Meeting of the members, in the case of final dividends, and the period in which they have been paid in the case of interim dividends.

This has the effect of increasing the brought forward profit and loss reserve by reversing the proposed dividend of £94,891 in the 2005 accounts (2004: £84,348) and reducing the proposed dividend creditor by the same amount.

### GOODWILL

Goodwill representing the excess of the purchase price compared with the fair value of assets acquired is capitalised and written off over 43 months 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:

Freehold buildings	2% straight line
Plant and machinery	over a period between 1 - 10 years
Fixtures, fittings & equipment	over a period between 1 - 5 years
Motor vehicles	33% - 50% straight line

### 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.

### 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.

# Roger Skinner Limited

## ACCOUNTING POLICIES (CONTINUED)

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### 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.

### GOVERNMENT GRANTS

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

### TURNOVER

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

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2006

### 1. TURNOVER

Turnover is attributable to one class of business.

By geographical market:

	2006 £	2005 £
United Kingdom	4,424,524	4,259,680
European Union	109,154	103,023
Other	33,976	33,253
	<u>4,567,654</u>	<u>4,395,956</u>

### 2. OTHER OPERATING EXPENSES (NET)

	2006 £	2005 £
Distribution costs	966,697	934,751
Administrative expenses	1,339,530	1,218,986
Other operating income	(2,500)	-
	<u>2,303,727</u>	<u>2,153,737</u>

### 3. INVESTMENT INCOME

	2006 £	2005 £
Bank interest	57	1,357
Other investment income and interest	823	33
	<u>880</u>	<u>1,390</u>

### 4. INTEREST PAYABLE

	2006 £	2005 £
On bank loans and overdrafts	43,847	42,723
Lease finance charges	11,147	6,615
Other interest	2,018	536
	<u>57,012</u>	<u>49,874</u>

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2006

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2006 £	2005 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	11,940	11,937
Depreciation of tangible assets:		
Charge for the year:		
owned assets	144,792	121,354
leased assets	62,048	55,737
Profit on disposals	(24,735)	(30,952)
Loss on foreign exchange transactions	43	48
Auditors' remuneration	5,800	6,300
Government grants	(2,500)	-
	<u>11,940</u>	<u>11,937</u>

## 6. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:	2006 No.	2005 No.
Management and office	15	13
Production and sales	22	25
	<u>37</u>	<u>38</u>
	£	£
Staff costs for the above persons:		
Wages and salaries	806,190	763,938
Social security costs	85,987	87,822
Other pension costs	34,218	28,569
	<u>926,395</u>	<u>880,329</u>

## DIRECTORS' REMUNERATION

	2006 £	2005 £
Emoluments for qualifying services	240,382	224,078
Company pension contributions to money purchase schemes	31,371	26,192
	<u>271,753</u>	<u>250,270</u>

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

Emoluments for qualifying services	67,206	73,462
Company pension contributions to money purchase schemes	19,667	20,000
	<u>86,873</u>	<u>93,462</u>

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2006

7. TAXATION	2006 £	2005 £
Domestic current year tax		
U.K. corporation tax	40,010	44,411
Tax credits on franked investment income	3	-
	<u>40,013</u>	<u>44,411</u>
Current tax charge		
Deferred tax		
Origination and reversal of timing differences	20,610	12,097
	<u>60,623</u>	<u>56,508</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>286,288</u>	<u>280,384</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax for small companies of 19.00% (2005: 19.00%)	<u>54,395</u>	<u>53,273</u>
Effects of:		
Non deductible expenses	6,231	3,235
Depreciation in excess of capital allowances	(20,319)	(10,876)
Other tax adjustments	(294)	(1,221)
	<u>(14,382)</u>	<u>(8,862)</u>
Current tax charge	<u>40,013</u>	<u>44,411</u>
8. DIVIDENDS	2006 £	2005 £ <i>Restated</i>
Ordinary:		
Dividend paid (per share) - £97.83 (2005 - £86.96)	<u>94,891</u>	<u>84,348</u>

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2006

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### 9. INTANGIBLE FIXED ASSETS

	<i>Goodwill</i> £
Cost	
1 April 2005 and 31 March 2006	<u>42,773</u>
Amortisation	
1 April 2005	23,874
Charge in the year	<u>11,940</u>
31 March 2006	<u>35,814</u>
Net book value	
31 March 2006	<u>6,959</u>
31 March 2005	<u>18,899</u>



# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2006

### 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 2005	1,450,000	1,032,305	116,924	207,610	2,806,839
Additions	-	411,160	3,821	92,763	507,744
Disposals	-	-	(774)	(75,338)	(76,112)
31 March 2006	1,450,000	1,443,465	119,971	225,035	3,238,471
Depreciation					
1 April 2005	-	729,363	108,216	102,575	940,154
Charge in the year	5,004	120,537	8,634	72,665	206,840
Disposals	-	-	(741)	(65,356)	(66,097)
31 March 2006	5,004	849,900	116,109	109,884	1,080,897
Net book value					
31 March 2006	1,444,996	593,565	3,862	115,151	2,157,574
31 March 2005	1,450,000	302,942	8,708	105,035	1,866,685

Freehold land and buildings held as at 31 March 2005 were valued by the directors, in conjunction with professional advice, at that date at £1,450,000 on the assumption that planning permission for residential use would be granted in the future. As the directors are confident planning permission will be obtained, they have incorporated this valuation in these financial statements.

On 5 November 2004, Fenn Wright, Chartered Surveyors, completed a formal 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). This valuation, based on an existing use basis, with vacant possession, was £750,000.

Included within the valuation of land and buildings is an amount of £1,200,000 which relates to the value of land. This has not been depreciated.

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

	£
Cost	
1 April 2005 and 31 March 2006	944,008
Depreciation based on cost	
1 April 2005	75,969
Charge in the year	12,880
31 March 2006	88,849
Net book value	
31 March 2006	855,159
31 March 2005	868,039

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2006

### 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 2006	521,100	56,477	577,577
31 March 2005	97,771	21,776	119,547

### 11. FIXED ASSET INVESTMENTS

	<i>Shares in group undertakings</i> £
Cost or valuation 1 April 2005 and 31 March 2006	71,980
Provisions for diminution in value 1 April 2005 and 31 March 2006	71,980
Net book value 31 March 2006	-
31 March 2005	-

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.

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

The company was dormant during the 2006 and 2005 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.

12. STOCKS	2006 £	2005 £
Raw materials and consumables	169,407	151,205
Finished goods and goods for resale	95,819	108,614
	265,226	259,819

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2006

13. DEBTORS	2006 £	2005 £
Due within one year:		
Trade debtors	748,098	606,422
Other debtors	536	107,591
Prepayments and accrued income	30,876	69,933
	<u>779,510</u>	<u>783,946</u>
14. CREDITORS: Amounts falling due within one year	2006 £	2005 £ <i>Restated</i>
Bank overdraft	-	164,923
Bank loans	52,201	51,109
Obligations under finance lease and hire purchase contracts	137,024	75,964
Trade creditors	439,505	399,689
Corporation tax	40,010	44,411
Other taxes and social security costs	41,790	50,370
Other creditors	4,521	2,631
Accruals and deferred income	85,763	95,477
	<u>800,814</u>	<u>884,574</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% above bank base rates and are repayable in monthly instalments.

Finance leases are secured on the individual assets to which they relate.

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2006

15. CREDITORS: Amounts falling due in more than one year	2006 £	2005 £
Bank loans	171,304	220,834
Obligations under finance leases and hire purchase agreements	334,143	50,152
	<u>505,447</u>	<u>270,986</u>
Loans		
Wholly repayable within five years	223,505	271,943
Included in current liabilities	(52,201)	(51,109)
	<u>171,304</u>	<u>220,834</u>
Loan maturity analysis:		
In more than one year but not more than two years	55,829	54,662
In more than two years but not more than five years	115,475	166,172
	<u></u>	<u></u>
	2006 £	2005 £
Obligations under finance leases and hire purchase contracts:		
Repayable within one year	137,024	75,963
Repayable between two and five years	334,143	50,153
	<u>471,167</u>	<u>126,116</u>
	471,167	126,116
Included in current liabilities	(137,024)	(75,964)
	<u>334,143</u>	<u>50,152</u>

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2006

### 16. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Government grants</i> £	<i>Deferred taxation</i> £	<i>Total</i> £
Balance at 1 April 2005	-	46,812	46,812
Grants received during the year	25,000	-	25,000
Transfer from profit and loss account	(2,500)	20,610	18,110
Balance at 31 March 2006	<u>22,500</u>	<u>67,422</u>	<u>89,922</u>

Deferred taxation provided in the financial statements is as follows:

	2006 £	2005 £
Excess of tax allowances over depreciation	68,971	48,653
Other timing differences	(1,549)	(1,841)
	<u>67,422</u>	<u>46,812</u>

### 17. SHARE CAPITAL

	2006 £	2005 £
Authorised: 5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, issued and fully paid: 970 Ordinary shares of £1 each	<u>970</u>	<u>970</u>

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2006

### 18. STATEMENT OF MOVEMENT ON RESERVES

	<i>Revaluation reserve £</i>	<i>Other reserves (see below) £</i>	<i>Profit and loss account £</i>
1 April 2005	709,089	141	927,080
Prior year adjustment (note 1)	-	-	94,891
1 April 2005 as restated	709,089	141	1,021,971
Retained profit for the year	-	-	225,665
Dividends	-	-	(94,891)
31 March 2006	709,089	141	1,152,745
Other reserves			
Capital redemption reserve			
Balance at 1 April 2005 & at 31 March 2006		141	

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

	2006 £	2005 £ <i>Restated</i>
Profit for the financial year	225,665	223,876
Dividends	(94,891)	(84,348)
	130,774	139,528
Other recognised gains and losses	-	498,602
Net addition to shareholders' funds	130,774	638,130
Opening shareholders' funds	1,732,171	1,094,041
Closing shareholders' funds	1,862,945	1,732,171

Opening shareholders' funds were originally £1,637,280 before prior year adjustment of £94,891.

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2006

20. CASH FLOWS		2006	2005
		£	£
a.	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating profit	342,420	328,868
	Depreciation of tangible assets	206,840	177,091
	Amortisation of intangible assets	11,940	11,937
	Profit on disposal of tangible assets	(24,735)	(30,952)
	(Increase)/decrease in stocks	(5,407)	30,410
	Decrease/(increase) in debtors	4,436	(189,996)
	Increase in creditors within one year	23,412	57,354
	Movement on grant provision	(2,500)	-
	Net cash inflow from operating activities	<u>556,406</u>	<u>384,712</u>
b.	Analysis of net debt	1 April 2005	Cash flow Other non-cash 31 March 2006
		£	£ £ £
	Net cash:		
	Cash at bank and in hand	5,194	44,665 - 49,859
	Bank overdrafts	(164,923)	164,923 - -
		<u>(159,729)</u>	<u>209,588</u> - <u>49,859</u>
	Debt:		
	Finance leases	(126,116)	89,741 (434,792) (471,167)
	Debts falling due within one year	(51,109)	(1,092) - (52,201)
	Debts falling due after one year	(220,834)	49,530 - (171,304)
		<u>(398,059)</u>	<u>138,179</u> (434,792) (694,672)
	Net debt	<u>(557,788)</u>	<u>347,767</u> (434,792) (644,813)
c.	Reconciliation of net cash flow to movement in net debt		2006 2005
		£	£
	Increase/(decrease) in cash in the year	209,588	(64,072)
	Cash outflow from decrease in debt and lease financing	138,179	155,634
	Change in net debt resulting from cash flows	<u>347,767</u>	<u>91,562</u>
	New finance lease	(434,792)	(155,740)
	Movement in net debt in the year	<u>(87,025)</u>	<u>(64,178)</u>
	Opening net debt	<u>(557,788)</u>	<u>(493,610)</u>
	Closing net debt	<u>(644,813)</u>	<u>(557,788)</u>

# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2006

21. CAPITAL COMMITMENTS	2006 £	2005 £
Capital expenditure contracted for but not provided in the financial statements	<u>23,007</u>	<u>244,357</u>

## 22. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	2006 £	2005 £
Plant and machinery expiring in the first year	1,199	-
expiring after five years	1,820	-
	<u>3,019</u>	<u>-</u>

At the year end the company had entered into forward contracts for the purchase of raw materials to the value of £300,660 (2005 - £139,084). This has not been accrued within these accounts as a liability as no stock was physically held by the company.

## 23. 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.

	2006 £	2005 £
Contributions payable by the company for the year	<u>34,218</u>	<u>28,569</u>

## 24. CONTROL

The company is controlled by R A S Skinner.



# Roger Skinner Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2006

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### 25. 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 £159,057 (2005 - £132,621). At the year end £31,731 (2005 - £18,222) was outstanding and £1,763 (2005 - £1,763) was due.

Salter Pet Nutrition paid interest to Roger Skinner Limited totalling £786 for a loan of £10,000 received in the previous year. At the year end Salter Pet Nutrition owed Roger Skinner Limited £nil (2005 - £10,000)

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 £786 (2005 - £nil). At the year end £nil (2005 - £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 £339 (2005 - £494). At the year end, the balance due was £nil (2005 - £nil).

Included within debtors is a loan of £nil (2005 - £97,091) to Roger and Wendy Skinner, directors. The maximum amount outstanding during the year was £199,631 (2005 - £211,211).