

Roger Skinner Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2005

Company Registration No. 1272854



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COMPANIES HOUSE

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Roger Skinner Limited

DIRECTORS AND OFFICERS

DIRECTORS

R A S Skinner

(Chairman)

G Panter

(Managing Director)

M J Marjoram

M E Skinner

W L Skinner

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 2005.

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 another successful year. The growth of the new hypo-allergenic product launched in September has far exceeded our expectations and is rapidly becoming an established brand within the target market.

Following a revaluation of the main site an extra £499,000 was added to the balance sheet, which immediately impacted on the Return on capital employed ratio (ROCE). However for consistency purposes if the revaluation is disregarded the underlying ROCE improved to nearly 20%.

The directors also made the decision in the year to purchase a new extruder at a cost of around £500,000. Final commissioning of this machine is due to take place in September 2005. This investment will allow us to meet the continued demand for our products well into the future, whilst preserving our reputation for making highly digestible, palatable and superior pet foods.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £223,876

The final dividend for the year ended 31 March 2005 was £94,891

DIRECTORS

The following directors have held office since 1 April 2004:

R A S Skinner

G Panter

M J Marjoram

M E Skinner

W L Skinner

(Appointed 1 January 2005)

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>	
	31.3.05	1.4.04
R A S Skinner	920	920
M J Marjoram	50	50
G Panter	-	-
M E Skinner	-	-
W L Skinner	-	-

CHARITABLE DONATIONS	2005	2004
	£	£

During the year the company made the following payments:

Charitable donations	260	335
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Roger Skinner Limited

DIRECTORS' REPORT (CONTINUED)

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

4 August 2005

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 22.

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

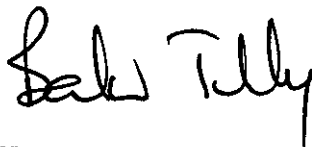
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 2005 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

16 August 2005

Roger Skinner Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2005

	<i>Notes</i>	2005 £	2004 £
TURNOVER	1	4,395,956	4,388,688
Cost of sales		1,913,351	1,835,971
Gross profit		2,482,605	2,552,717
Other operating expenses	2	2,153,737	2,281,238
OPERATING PROFIT		328,868	271,479
Investment income	3	1,390	1,021
		330,258	272,500
Interest payable	4	49,874	46,870
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	280,384	225,630
Taxation	7	56,508	97,119
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		223,876	128,511
Dividends	8	94,891	84,348
RETAINED PROFIT FOR THE YEAR	18	128,985	44,163

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 2005 or 2004.

Roger Skinner Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 March 2005

	2005 £	2004 £
Profit for the financial year	223,876	128,511
Unrealised surplus on revaluation of properties	498,602	-
Total gains and losses recognised since last financial statements	722,478	128,511

Roger Skinner Limited

BALANCE SHEET

31 March 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Intangible assets	9	18,899	30,836
Tangible assets	10	1,866,685	1,261,422
		<u>1,885,584</u>	<u>1,292,258</u>
CURRENT ASSETS			
Stocks	12	259,819	290,229
Debtors	13	783,946	593,950
Cash at bank and in hand		5,194	9,633
		<u>1,048,959</u>	<u>893,812</u>
CREDITORS: Amounts falling due within one year	14	979,465	854,193
		<u>69,494</u>	<u>39,619</u>
NET CURRENT ASSETS			
		<u>1,955,078</u>	<u>1,331,877</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: Amounts falling due after more than one year	15	(270,986)	(288,341)
PROVISIONS FOR LIABILITIES AND CHARGES	16	(46,812)	(34,715)
		<u>1,637,280</u>	<u>1,008,821</u>
CAPITAL AND RESERVES			
Called up share capital	17	970	970
Revaluation reserve	18	709,089	209,615
Other reserves	18	141	141
Profit and loss account	18	927,080	798,095
		<u>1,637,280</u>	<u>1,008,821</u>
SHAREHOLDERS' FUNDS			
	19	<u>1,637,280</u>	<u>1,008,821</u>

Approved by the board on 4 August 2005

R A S Skinner

Director

G Panter

Director

Roger Skinner Limited

CASH FLOW STATEMENT

for the year ended 31 March 2005

	Notes	2005 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20	384,712	348,546
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,357	995
Interest paid		(43,259)	(38,435)
Interest element of finance lease rentals		(6,615)	(8,435)
Dividends received		33	26
Net cash outflow for returns on investments and servicing of finance		(48,484)	(45,849)
TAXATION		(64,130)	(58,783)
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(130,305)	(41,475)
Receipts from sales of tangible assets		34,118	8,599
Net cash outflow for capital expenditure		(96,187)	(32,876)
EQUITY DIVIDENDS PAID		(84,348)	-
Net cash inflow before management of liquid resources and financing		91,563	211,038
FINANCING			
Purchase of own shares		-	(33,966)
New long term bank loan		275,720	-
Repayment of long term bank loan		(309,366)	(37,252)
Capital element of finance lease contracts		(121,989)	(79,481)
Net cash outflow from financing		(155,635)	(150,699)
DECREASE IN CASH IN THE YEAR		(64,072)	60,339

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:

Freehold buildings	2% straight line
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

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.

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.

Roger Skinner Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2005

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover is attributable to one class of business.

By geographical market:

	2005 £	2004 £
United Kingdom	4,259,680	4,255,392
European Union	103,023	114,421
Other	33,253	18,875
	<u>4,395,956</u>	<u>4,388,688</u>

2. OTHER OPERATING EXPENSES

	2005 £	2004 £
Distribution costs	934,751	975,805
Administrative expenses	1,218,986	1,305,433
	<u>2,153,737</u>	<u>2,281,238</u>

3. INVESTMENT INCOME

	2005 £	2004 £
Bank interest	1,357	990
Other investment income and interest	33	31
	<u>1,390</u>	<u>1,021</u>

4. INTEREST PAYABLE

	2005 £	2004 £
On bank loans and overdrafts	42,723	37,123
Lease finance charges	6,615	8,435
Other interest	536	1,312
	<u>49,874</u>	<u>46,870</u>

Roger Skinner Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2005

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2005 £	2004 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	11,937	11,937
Depreciation of tangible assets:		
Charge for the year:		
owned assets	121,354	132,768
leased assets	55,737	56,971
Profit on disposals	(30,952)	(3,597)
Loss on foreign exchange transactions	48	929
Auditors' remuneration	6,300	6,000
	<u> </u>	<u> </u>

6. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:

	2005 No.	2004 No.
Management and office	13	12
Production and sales	25	29
	<u> </u>	<u> </u>
	38	41
	<u> </u>	<u> </u>

Staff costs for the above persons:

	£	£
Wages and salaries	763,938	804,472
Social security costs	87,822	82,987
Other pension costs	28,569	23,728
	<u> </u>	<u> </u>
	880,329	911,187
	<u> </u>	<u> </u>

DIRECTORS' REMUNERATION

	2005 £	2004 £
Emoluments for qualifying services	224,078	231,895
Company pension contributions to money purchase schemes	26,192	20,000
	<u> </u>	<u> </u>
	250,270	251,895
	<u> </u>	<u> </u>

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

Emoluments for qualifying services	73,462	73,443
Company pension contributions to money purchase schemes	20,000	6,492
	<u> </u>	<u> </u>

Roger Skinner Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2005

7. TAXATION	2005 £	2004 £
Domestic current year tax		
U.K. corporation tax	44,411	57,897
Adjustment for prior years	-	6,225
	<hr/>	<hr/>
Current tax charge	44,411	64,122
Deferred tax		
Origination and reversal of timing differences	12,097	32,997
	<hr/>	<hr/>
	56,508	97,119
	<hr/>	<hr/>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	280,384	225,630
	<hr/>	<hr/>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2004: 30.00%)	53,273	67,689
	<hr/>	<hr/>
Effects of:		
Non deductible expenses	3,235	10,429
Capital allowances (in excess)/less than depreciation	(10,876)	12,704
Adjustments to previous periods	-	6,225
Small company relief	-	(32,921)
Other tax adjustments	(1,221)	(4)
	<hr/>	<hr/>
	(8,862)	(3,567)
	<hr/>	<hr/>
Current tax charge	44,411	64,122
	<hr/>	<hr/>
8. DIVIDENDS	2005 £	2004 £
Ordinary:		
Final proposed - £97.83 (2004 - £86.96)	94,891	84,348
	<hr/>	<hr/>

Roger Skinner Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2005

9. INTANGIBLE FIXED ASSETS

	<i>Goodwill</i> £
Cost	
1 April 2004 and 31 March 2005	42,773
	<hr/>
Amortisation	
1 April 2004	11,937
Charge in the year	11,937
	<hr/>
31 March 2005	23,874
	<hr/>
Net book value	
31 March 2005	18,899
	<hr/>
31 March 2004	30,836
	<hr/>

Roger Skinner Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2005

10. TANGIBLE FIXED ASSETS

	<i>Land and buildings Freehold</i>	<i>Plant and machinery</i>	<i>Fixtures, fittings & equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£	£
Cost or valuation					
1 April 2004	951,398	864,913	115,150	206,635	2,138,096
Additions	-	167,392	1,774	116,880	286,046
Revaluation surplus	498,602	-	-	-	498,602
Disposals	-	-	-	(115,905)	(115,905)
31 March 2005	1,450,000	1,032,305	116,924	207,610	2,806,839
Depreciation					
1 April 2004	872	628,958	96,440	150,404	876,674
Charge in the year	(872)	100,405	11,776	64,910	176,219
Disposals	-	-	-	(112,739)	(112,739)
31 March 2005	-	729,363	108,216	102,575	940,154
Net book value					
31 March 2005	1,450,000	302,942	8,708	105,035	1,866,685
31 March 2004	950,526	235,955	18,710	56,231	1,261,422

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.

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

	£
Cost	
1 April 2004 and 31 March 2005	944,008
Depreciation based on cost	
1 April 2004	63,089
Charge in the year	12,880
31 March 2005	75,969
Net book value	
31 March 2005	868,039
31 March 2004	880,919

Roger Skinner Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2005

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 2005	97,771	21,776	119,547
31 March 2004	51,965	35,365	87,330

11. FIXED ASSET INVESTMENTS

	<i>Shares in group undertakings</i>
	£
Cost or valuation	
1 April 2004 and 31 March 2005	71,980
Provisions for diminution in value	
1 April 2004 and 31 March 2005	71,980
Net book value	
31 March 2005	-
31 March 2004	-

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 2005 and 2004 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

	2005	2004
	£	£
Raw materials and consumables	151,205	159,890
Finished goods and goods for resale	108,614	130,339
	259,819	290,229

Roger Skinner Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2005

13. DEBTORS	2005 £	2004 £
Due within one year:		
Trade debtors	606,422	553,273
Other debtors	107,591	587
Prepayments and accrued income	69,933	40,090
	<u>783,946</u>	<u>593,950</u>

14. CREDITORS: Amounts falling due within one year	2005 £	2004 £
Bank overdraft	164,923	105,290
Bank loans	51,109	39,735
Obligations under finance lease and hire purchase contracts	75,964	69,877
Trade creditors	399,689	386,441
Corporation tax	44,411	64,130
Other taxes and social security costs	50,370	54,078
Other creditors	2,631	5,292
Accruals and deferred income	95,477	45,002
Proposed dividend	94,891	84,348
	<u>979,465</u>	<u>854,193</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.

Roger Skinner Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2005

15. CREDITORS: Amounts falling due in more than one year	2005 £	2004 £
Bank loans	220,834	265,854
Obligations under finance leases and hire purchase agreements	50,152	22,487
	<u>270,986</u>	<u>288,341</u>
Loans		
Wholly repayable within five years	271,943	305,589
Included in current liabilities	(51,109)	(39,735)
	<u>220,834</u>	<u>265,854</u>
Loan maturity analysis:		
In more than one year but not more than two years	54,662	42,291
In more than two years but not more than five years	166,172	152,121
In more than five years	-	71,442
	<u></u>	<u></u>
	2005 £	2004 £
Obligations under finance leases and hire purchase contracts:		
Repayable within one year	75,963	69,877
Repayable between two and five years	50,152	22,488
	<u>126,115</u>	<u>92,365</u>
	126,115	92,365
Included in current liabilities	(75,964)	(69,877)
	<u>50,151</u>	<u>22,488</u>

Roger Skinner Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2005

16. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation</i> £
Balance at 1 April 2004	34,715
Transfer from profit and loss account	12,097
	<hr/>
Balance at 31 March 2005	46,812
	<hr/>

Deferred taxation provided in the financial statements is as follows:

	2005 £	2004 £
Excess of tax allowances over depreciation	48,653	37,777
Other timing differences	(1,841)	(3,062)
	<hr/>	<hr/>
	46,812	34,715
	<hr/>	<hr/>

17. SHARE CAPITAL

	2005 £	2004 £
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	970
	<hr/>	<hr/>

18. STATEMENT OF MOVEMENT ON RESERVES

	<i>Revaluation reserve</i> £	<i>Other reserves (see below)</i> £	<i>Profit and loss account</i> £
1 April 2004	209,615	141	798,095
Retained profit for the year	-	-	128,985
Revaluation during the year	498,602	-	-
Depreciation written back	872	-	-
	<hr/>	<hr/>	<hr/>
31 March 2005	709,089	141	927,080
	<hr/>	<hr/>	<hr/>
Other reserves			
Capital redemption reserve			
Balance at 1 April 2004 & at 31 March 2005		141	
		<hr/>	

Roger Skinner Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2005

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2005 £	2004 £
Profit for the financial year	223,876	128,511
Dividends	(94,891)	(84,348)
	<hr/>	<hr/>
	128,985	44,163
Other recognised gains and losses	498,602	-
Purchase of own shares	-	(33,966)
	<hr/>	<hr/>
Net addition to shareholders' funds	627,587	10,197
Opening shareholders' funds	1,008,821	998,624
	<hr/>	<hr/>
Closing shareholders' funds	<u>1,637,280</u>	<u>1,008,821</u>

Roger Skinner Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2005

20. CASH FLOWS		2005	2004	
		£	£	
a. Reconciliation of operating profit to net cash inflow from operating activities				
Operating profit		328,868	271,479	
Depreciation of tangible assets		177,091	189,739	
Amortisation of intangible assets		11,937	11,937	
Profit on disposal of tangible assets		(30,952)	(3,597)	
Decrease/(increase) in stocks		30,410	(40,213)	
(Increase)/decrease in debtors		(189,996)	5,479	
Increase/(decrease) in creditors within one year		57,354	(86,278)	
Net cash inflow from operating activities		<u>384,712</u>	<u>348,546</u>	
b. Analysis of net debt	1 April 2004	Cash flow	Other non-cash changes	31 March 2005
	£	£	£	£
Net cash:				
Cash at bank and in hand	9,633	(4,439)	-	5,194
Bank overdrafts	(105,290)	(59,633)	-	(164,923)
	<u>(95,657)</u>	<u>(64,072)</u>	<u>-</u>	<u>(159,729)</u>
Debt:				
Finance leases	(92,364)	121,989	(155,740)	(126,115)
Debts falling due within one year	(39,735)	(11,374)	-	(51,109)
Debts falling due after one year	(265,854)	45,020	-	(220,834)
	<u>(397,953)</u>	<u>155,635</u>	<u>(155,740)</u>	<u>(398,058)</u>
Net debt	<u>(493,610)</u>	<u>91,563</u>	<u>(155,740)</u>	<u>(557,787)</u>
c. Reconciliation of net cash flow to movement in net debt		2005	2004	
		£	£	
(Decrease)/increase in cash in the year		(64,072)	60,339	
Cash outflow from decrease in debt and lease financing		155,635	116,733	
Change in net debt resulting from cash flows		<u>91,563</u>	<u>177,072</u>	
New finance lease		(155,740)	(98,362)	
Movement in net debt in the year		<u>(64,177)</u>	<u>78,710</u>	
Opening net debt		(493,610)	(572,320)	
Closing net debt		<u>(557,787)</u>	<u>(493,610)</u>	

Roger Skinner Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2005

21. CAPITAL COMMITMENTS	2005 £	2004 £
Capital expenditure contracted for but not provided in the financial statements	<u>244,357</u>	<u>-</u>

22. OTHER FINANCIAL COMMITMENTS

At the year end the company had entered into forward contracts for the purchase of raw materials to the value of £139,084 (2004 - £159,910). 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.

	2005 £	2004 £
Contributions payable by the company for the year	<u>28,569</u>	<u>23,728</u>

24. CONTROL

The company is controlled by R A S Skinner.

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 £132,621 (2004 - £118,000). At the year end £18,222 (2004 - £20,363) was outstanding and £1,763 (2004 - £1,763) 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 £NIL (2004 - £1,500). At the year end £NIL (2004 - £NIL) was outstanding. The company also made a £10,000 loan to Salter & Skinner. At the year end, £1,357 interest had been received and £10,000 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 £494 (2004 - £675). At the year end, the balance due was £NIL (2004 - £290).

Included within debtors is a loan of £97,091 (2004 - £NIL) to Roger and Wendy Skinner, directors. The maximum amount outstanding during the year was £211,211 (2004 - £191,536).