

Company Registration number 1433354

CAVENDISH SHIPS STORES LIMITED

Financial Statements

For the year ended 31 January 2005



CAVENDISH SHIPS STORES LIMITED

Directors, officers and advisers

Directors

Mr J D Burden
Mr T Hussey
Mr S Burden

Secretary and registered office

Mr T Hussey
Hermitage Oast
Danns Lane
Mereworth
Kent
ME18 5LW

Registered number

1433354

Auditors

Audit Assure
Chartered Accountants
Registered Auditor
82 St John Street
London
EC1M 4JN

Accountants

Vantis Group Limited
82 St John Street
London
EC1M 4JN

CAVENDISH SHIPS STORES LIMITED

Directors' report for the year ended 31 January 2005

The Directors present their report and the financial statements of the Company for the year ended 31 January 2005.

Review of the business

The principal activity of the company continued to be that of ship chandlers and wholesalers of foodstuffs.

Turnover has reduced this year by 19 per cent to £16,686,045. The directors consider the profit on ordinary activities before taxation to be satisfactory in the light of difficult trading conditions.

Results and dividends

The results for the year are shown on the profit and loss account on page 5. The profit for the year after taxation was £155,926.

The directors do not recommend the payment of a dividend for the year.

Directors

The Directors who served during the year were:

Mr J D Burden
Mr T Hussey
Mr S Burden

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. It is also their responsibility to safeguard the assets of the company and hence to take reasonable steps to prevent and detect fraud and other irregularities.

Directors' interests

The beneficial interests of the directors and their families in the share capital of the parent company were as follows:

	Ordinary shares of £1 each	
	<u>31 January 2005</u>	<u>1 February 2004</u>
Mr J D Burden	114,015	114,015
Mr T Hussey	5,726	5,726
Mr S Burden	5,916	5,916

Fixed assets

In the opinion of the directors, the value of the company's freehold land and buildings is not materially in excess of that shown in the financial statements when considered in relation to its use in the company's trade.

Political and charitable contributions

Various charitable contributions were made during the year totalling £339 (2004 £Nil).

Auditors

A resolution to reappoint Audit Assure as auditors of the company will be proposed at the forthcoming annual general meeting.

CAVENDISH SHIPS STORES LIMITED

Directors' report for the year ended 31 January 2005 (continued)

Signed on behalf of the board

A handwritten signature in black ink, appearing to be 'J. D.', is written over a horizontal line.

Approved by the Board on8/6/05.....

CAVENDISH SHIPS STORES LIMITED

Independent auditors' report to the shareholders of Cavendish Ships Stores Limited

We have audited the financial statements of Cavendish Ships Stores Limited for the year ended 31 January 2005 which are set out on pages 5 to 13. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's 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 of the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider whether it is consistent with the audited financial statements. 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 opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

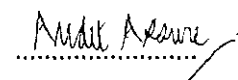
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2005 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Audit Assure
Chartered Accountants
Registered Auditors**

82 St John Street
London
EC1M 4JN



11/7/05

CAVENDISH SHIPS STORES LIMITED

Profit and loss account for the year ended 31 January 2005

	<i>Notes</i>	<u>2005</u> £	<u>2004</u> £
Turnover	2	16,686,045	20,588,923
Cost of sales		(14,294,187)	(17,503,232)
Gross profit		2,391,858	3,085,691
Distribution costs		(1,196,692)	(1,431,124)
Administrative expenses		(928,473)	(1,168,376)
Super exceptional items	7	(16,000)	(66,039)
		(2,141,165)	(2,665,539)
Operating profit	3	250,693	420,152
Other interest receivable and similar income		431	900
Interest payable and similar charges	6	(63,652)	(81,703)
Profit on ordinary activities before taxation		187,472	339,349
Taxation on profit on ordinary activities	8	(31,546)	(3,339)
Profit for the financial year		155,926	336,010
Dividends		-	-
Retained profit for the year		155,926	336,010

There were no recognised gains nor losses other than those included in the profit and loss account.

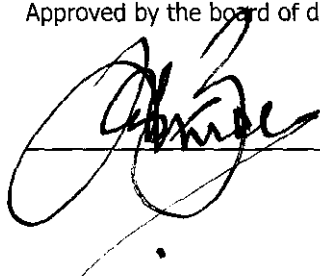
The notes on pages 7 to 13 form part of these financial statements

CAVENDISH SHIPS STORES LIMITED

Balance sheet at 31 January 2005

	<i>Notes</i>	<i>£</i>	<i>2005</i> <i>£</i>	<i>£</i>	<i>2004</i> <i>£</i>
Fixed assets					
Tangible assets	9		722,599		818,941
Current assets					
Stock	10	652,516		875,171	
Debtors	11	1,323,022		3,074,296	
Cash at bank and in hand		1,802		106,012	
		1,977,340		4,055,479	
Creditors: amounts falling due within one year	12	(2,172,097)		(4,461,589)	
Net current liabilities			(194,757)		(406,110)
Total assets less current liabilities			527,842		412,831
Creditors: amounts falling due after more than one year	13		(123,606)		(147,417)
Provision for liabilities and charges	15		(8,216)		(25,320)
			396,020		240,094
Capital and reserves					
Called up share capital	16		25,000		25,000
Revaluation reserve	17		98,422		98,422
Profit and loss account	17		272,598		116,672
Shareholders' funds	18		396,020		240,094

Approved by the board of directors on 3/6/05 and signed on its behalf.



- Director

CAVENDISH SHIPS STORES LIMITED

Notes to the financial statements for the year ended 31 January 2005

1 Accounting policies

a) Going concern

The financial statements have been prepared on the going concern basis.

b) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with applicable accounting standards, as modified by the revaluation of long term leasehold land and buildings.

The company has taken advantage of the exemption, conferred by Financial Reporting Standard No. 1, from presenting a cash flow statement as it qualifies as a small company. The company has also taken advantage of its exemption under the Financial Reporting Standard No. 8 not to disclose details of transactions with group undertakings.

c) Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

d) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Leasehold property	2 & 10%	straight line
Plant and machinery	5, 25 & 50%	straight line

e) Stocks

Stock and work in progress is valued at the lower of cost and estimated net realisable value.

Cost includes all direct expenditure and production overheads based on the normal level of activity.

f) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a nondiscounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

g) Hire purchase and lease transactions

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged on a straight line basis over the lease term.

h) Pension scheme

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

i) Revaluation of tangible fixed assets

The company has valued leasehold land and buildings at open market value as the property is surplus to requirements. The valuation was made at 31 October 2002, by a professional valuer.

CAVENDISH SHIPS STORES LIMITED
Notes to the financial statements
for the year ended 31 January 2005 (continued)

2 Turnover

The turnover and profit before taxation is attributable to the one principal activity of the company.

No exports were made by the company during the year.

3 Profit on ordinary activities before taxation

This is stated after charging:

	<u>2005</u> £	<u>2004</u> £
Depreciation of owned assets	104,957	168,076
Profit on disposal of tangible fixed assets	(11,557)	(876)
Auditors' remuneration - Audit fee	4,000	4,000
Operating lease rentals - other assets	268,483	310,402
Exceptional items (note 7)	<u>16,000</u>	<u>66,039</u>

4 Employee information

	<u>2005</u> £	<u>2004</u> £
Staff costs:		
Wages and salaries	800,607	987,559
Social security costs	84,872	101,486
Other pension costs	10,455	12,211
	<u>895,934</u>	<u>1,101,256</u>

The average number of persons employed during the year, including executive directors, was made up as follows

	<u>2005</u> Number	<u>2004</u> Number
Office and management	20	23
Sales and Distribution	21	34
	<u>41</u>	<u>57</u>

5 Directors' emoluments

	<u>2005</u> £	<u>2004</u> £
Emoluments	<u>-</u>	<u>-</u>

No directors received remuneration or benefits in kind from the company during the year.

6 Interest payable and similar charges

	<u>2005</u> £	<u>2004</u> £
In respect of loans repayable within five years:		
On bank loans and overdrafts	60,076	65,193
On obligations under finance lease and hire purchase	3,576	16,510
	<u>63,652</u>	<u>81,703</u>

CAVENDISH SHIPS STORES LIMITED
Notes to the financial statements
for the year ended 31 January 2005 (continued)

7 Exceptional items

	<u>2005</u> £	<u>2004</u> £
Administrative expenses:		
Cost of closure of Sittingbourne division	<u>16,000</u>	<u>66,039</u>

8 Tax on profit on ordinary activities

(a) Analysis of charge in period

	<u>2005</u> £	<u>2004</u> £
Current tax:		
United Kingdom corporation tax at 30% (2004 19%)	46,908	3,339
Adjustments in respect of previous years	<u>1,742</u>	-
Total current tax (see (b))	48,650	3,339
Deferred tax:		
Movement on deferred taxation current period	<u>(17,104)</u>	-
Total deferred tax (note 15)	<u>(17,104)</u>	-
Tax on profit on ordinary activities	<u>31,546</u>	<u>3,339</u>

(b) Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:-

Profit on ordinary activities before tax	<u>187,472</u>	<u>339,349</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 19%)	56,242	64,476
Effects of:		
Expenses not deductible for tax purposes	1,247	408
Capital allowances in excess of depreciation	(3,495)	(6,739)
Utilisation of tax losses	-	(54,806)
Profit on sale of tangible assets	(3,467)	-
Other tax adjustments	<u>(18,981)</u>	-
Current tax charge for the year (see (a) above)	<u>31,546</u>	<u>3,339</u>

CAVENDISH SHIPS STORES LIMITED
Notes to the financial statements
for the year ended 31 January 2005 (continued)

9 Tangible fixed assets

	<i>Land and buildings</i> £	<i>Plant and machinery</i> £	<i>Total</i> £
Cost:			
At 1 February 2004	393,380	914,221	1,307,601
Additions	6,769	16,304	23,073
Disposals	-	(127,318)	(127,318)
At 31 January 2005	<u>400,149</u>	<u>803,207</u>	<u>1,203,356</u>
Depreciation:			
At 1 February 2004	48,662	439,998	488,660
Provision for the year	9,482	102,475	111,957
Adjustments for disposals	-	(119,860)	(119,860)
At 31 January 2005	<u>58,144</u>	<u>422,613</u>	<u>480,757</u>
Net book value:			
At 31 January 2005	<u>342,005</u>	<u>380,594</u>	<u>722,599</u>
At 31 January 2004	<u>344,718</u>	<u>474,223</u>	<u>818,941</u>

The net book value of land and buildings at 31 January 2005 is made up as follows

	<u>2005</u> £	<u>2004</u> £
Long-term leasehold premises	329,000	336,000
Short-term leasehold premises	13,005	8,718
	<u>342,005</u>	<u>344,718</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	<u>2005</u> £	<u>2004</u> £
Plant and machinery	40,546	86,947

Cost or valuation at 31 January 2005 is as follows:

At valuation:

At 31 January 2002 Harrisons Chartered Surveyors, a third party, revalued long term leasehold land and buildings to current open market value giving a revalued net book value of £350,000. This value does not reflect notional directly attributable acquisition costs or expected selling costs. In the prior year the directors were unaware of any material change in value and therefore the valuation was not updated. The directors carried out an interim valuation at the year end and considered the net book value to be reasonable. Had the initial revaluation not taken place the net book value would have been £250,065.

10 Stocks

	<u>2005</u> £	<u>2004</u> £
Finished goods and goods for resale	<u>652,516</u>	<u>875,171</u>

CAVENDISH SHIPS STORES LIMITED

Notes to the financial statements for the year ended 31 January 2005 (continued)

11 Debtors

	<u>2005</u> £	<u>2004</u> £
Trade debtors	1,025,098	2,317,277
Other debtors	46,774	46,297
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	302,212
Prepaid expenses and accrued income	251,150	408,510
	<u>1,323,022</u>	<u>3,074,296</u>

12 Creditors: amounts falling due within one year

	<u>2005</u> £	<u>2004</u> £
Bank loans and overdrafts	341,003	1,239,524
Trade creditors	733,914	1,660,490
Amounts owed to group undertakings and undertakings in which the company has a participating interest	895,389	1,211,132
Other creditors	1,925	1,848
Corporation tax	46,908	1,597
Other tax and social security	21,941	27,791
Obligations under finance leases and hire purchase contracts (note 14)	11,119	53,882
Accruals and deferred income	119,898	265,325
	<u>2,172,097</u>	<u>4,461,589</u>

The bank loans and overdrafts are secured by a fixed charge over the long term leasehold land and buildings, and over the book debts due to the company.

Included within bank loans and overdrafts is £329,518 (2004- £1,174,039) due to an invoice discount factor, which is secured over the book debts due to the company.

CAVENDISH SHIPS STORES LIMITED
Notes to the financial statements
for the year ended 31 January 2005 (continued)

13 Creditors: amounts falling due after more than one year

	<u>2005</u> £	<u>2004</u> £
Bank loans	123,309	135,553
Net obligations under finance leases and hire purchase contracts (note 14)	<u>297</u>	<u>11,864</u>
	<u>123,606</u>	<u>147,417</u>
Analysis of loan repayments		
Bank loans and overdrafts		
Within one year or on demand	341,003	1,239,524
Between two and five years	54,236	54,468
After five years	69,073	81,085
Other loans		
Within one year or on demand	11,119	53,882
Between one and two years	297	11,567
Between two and five years	-	297
	<u>475,728</u>	<u>1,440,823</u>
Less: amounts included in current liabilities (note 12)	<u>352,122</u>	<u>1,293,406</u>
	<u>123,606</u>	<u>147,417</u>

The bank loan is repayable over 20 years at an interest rate of 2% above base rate. The bank loan is secured as detailed in note 12.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>2005</u> £	<u>2004</u> £
14 Commitments under hire purchase agreements		
	<u>2005</u>	<u>2004</u>
	£	£
Amounts payable within 1 year (note 12)	11,119	53,882
Less interest and finance charges relating to future periods	<u>(297)</u>	<u>(11,864)</u>
	<u>11,416</u>	<u>65,746</u>

15 Deferred taxation

	<u>2005</u> £	<u>2004</u> £
Accelerated capital allowances	25,320	23,578
Other timing differences	<u>(17,104)</u>	<u>1,742</u>
Discounted provision for deferred tax	<u>8,216</u>	<u>25,320</u>
Provision at start of year	25,320	
Deferred tax charge in profit and loss account for year (note 8)	<u>(17,104)</u>	
Provision at end of year	<u>8,216</u>	

CAVENDISH SHIPS STORES LIMITED

Notes to the financial statements for the year ended 31 January 2005 (continued)

16 Called-up share capital

	<u>2005</u> £	<u>2004</u> £
Authorised Equity shares:		
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, called up and fully paid Equity shares:		
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

17 Reserves

	<i>Revaluation reserve</i> £	<i>Profit and loss reserve</i> £
At 1 February 2004	98,422	116,672
Retained profit for the year	-	155,926
At 31 January 2005	<u>98,422</u>	<u>272,598</u>

18 Reconciliation of movement in shareholders' funds

	<u>2005</u> £	<u>2004</u> £
Profit for the year	155,926	336,010
Opening shareholders' funds	<u>240,094</u>	<u>(95,916)</u>
Closing shareholders' funds	<u>396,020</u>	<u>240,094</u>
Shareholders' funds may be analysed as follows:		
Attributable to equity interests	<u>396,020</u>	<u>240,094</u>

19 Contingent liabilities

The company is party to a cross guarantee given in respect of the commercial finance facilities accorded to the Group. At 31 January 2005 amounts of £1,250,729 (2004 - £1,267,067) were outstanding under these arrangements, which are not dealt with in these financial statements.

20 Controlling party

The parent and ultimate parent company is The Burden Group plc which owns 100% (2004 - 100%) of the issued share capital of the company. The Burden Group plc is registered in England and Wales. Copies of the group financial statements of The Burden Group plc are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ. Cavendish Ship Stores Limited has taken advantage of the exemptions available to it as a 100% subsidiary and inter group transactions have not been disclosed in these financial statements.