

**Miramar Investments Limited**

**Directors' report and financial  
statements**

**Registered number 2066785**

**31 March 2000**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2000.

### Principal activities

The principal activities of the group are the manufacture, sale and distribution of packaging materials.

### Business review

The directors consider the results of the past year to be satisfactory and look forward to further progress in the coming year.

### Results and dividends

The results of the group for the year are set out in the consolidated profit and loss account on page 5.

No dividends were paid during the year (1999: *£nil*). No dividends have been proposed.

A retained profit of £135,796 (1999: £3,403 loss) for the financial year was transferred to reserves.

### Directors and directors' interests

The directors who held office during the year and their beneficial interests in the shares of the company were as follows:

		At 31 March 2000	At 31 March 1999
PG Simonis (deceased 14 February 2000)	Ordinary shares	13,828	13,828
	'A' ordinary shares	-	-
FRF Singer	Ordinary shares	62,226	62,226
	'A' ordinary shares	-	-
FC Eliet	Ordinary shares	62,226	62,226
	'A' ordinary shares	-	-
LJ de Viel Castel (appointed 1.1.99)	Ordinary shares	8,434	8,134

The shares in which Mr Simonis has a beneficial interest are held by Abacus Trustees (Jersey) Limited.

The shares in which Mr Singer has a beneficial interest are held by Chapel Street Holdings Limited.

The shares in which Mr Eliet has a beneficial interest are held by Ruskin Investments Limited.

### Year 2000

The directors are satisfied that they took sufficient steps to address the Year 2000 issue and to date there has been no significant effect on the business operations and trading activities of the company as a result of the issue. The costs of addressing the issue were not significant and any future costs are also not anticipated to be significant.

### Post balance sheet event

On 1 April 2000 the trading activities of three subsidiaries, Fletchers Packaging Limited, Beacon Packaging Services Limited and Hi-Speed Carton Supply Services Limited, were transferred to Miramar Investments Limited.

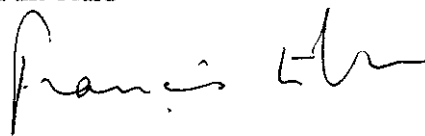
## Directors' report *(continued)*

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

FC Eliet  
Secretary



165 Queen Victoria Street  
London  
EC4V 4DD

21 July 2000

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss 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 and the group 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and the group and to prevent and detect fraud and other irregularities.



PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## **Auditors' report to the members of Miramar Investments Limited**

We have audited the financial statements on pages 5 to 24.

### *Respective responsibilities of directors and auditors*

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.


### *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 group'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 affairs of the company and the group as at 31 March 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
KPMG  
Chartered Accountants  
Registered Auditors

2<sup>nd</sup> August, 2000

## Consolidated profit and loss account

for the year ended 31 March 2000

	Note	2000 £	1999 £
<b>Turnover</b>	2	5,952,336	5,756,138
Cost of sales		(3,380,702)	(3,401,686)
<b>Gross profit</b>		2,571,634	2,354,452
Distribution costs		(451,409)	(388,322)
Administrative expenses		(1,575,179)	(1,450,297)
<b>Operating profit</b>	3-5	545,046	515,833
Interest payable and similar charges	6	(333,630)	(225,415)
Exceptional expenses	7	-	(279,530)
<b>Profit on ordinary activities before taxation</b>		211,416	10,888
Tax on profit on ordinary activities	8	(75,610)	(14,291)
<b>Profit/(loss) on ordinary activities after taxation</b>		135,796	(3,403)
<b>Retained profit/(loss) for the year</b>		135,796	(3,403)

A reconciliation of movements in shareholders' funds is given in note 19.

There is no difference between the group's historical cost profit and that disclosed in the accounts for either the current or preceding financial year.

## Consolidated balance sheet

at 31 March 2000

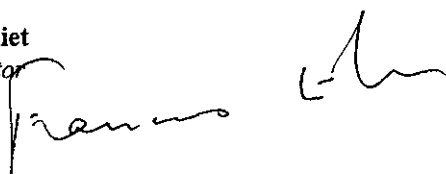
	Note	2000	1999
		£	£
<b>Fixed assets</b>			
Intangible assets	9	2,396,367	2,527,078
Tangible assets	10	2,454,708	2,370,119
		<u>4,851,075</u>	<u>4,897,197</u>
<b>Current assets</b>			
Stocks	12	347,185	441,513
Debtors	13	1,329,725	1,470,138
Cash at bank and in hand		333,350	808,458
		<u>2,010,260</u>	<u>2,720,109</u>
<b>Creditors: amounts falling due within one year</b>	14	(2,225,464)	(2,307,259)
		<u>(215,204)</u>	<u>412,850</u>
<b>Net current (liabilities)/assets</b>			
		<u>4,635,871</u>	<u>5,310,047</u>
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>	15	(2,911,515)	(3,721,497)
		<u>1,724,356</u>	<u>1,588,550</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	17	195,218	195,218
Share premium account	18	548,493	548,493
Capital redemption reserve	18	171,132	171,132
Profit and loss account	18	809,513	673,707
		<u>1,724,356</u>	<u>1,588,550</u>
<b>Equity shareholders' funds</b>	18		
		<u>1,724,356</u>	<u>1,588,550</u>

These financial statements were approved by the board of directors on signed on its behalf by:

21 July

2000 and were

FC Eliet  
Director



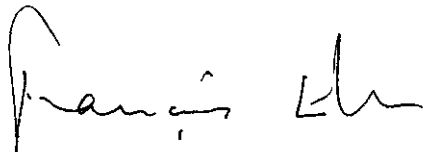


## Parent company balance sheet

at 31 March 2000

	Note	2000	1999
		£	£
<b>Fixed assets</b>			
Tangible assets	10	1,547,138	1,505,194
Investments	11	3,262,912	4,965,011
		<u>4,810,050</u>	<u>6,470,205</u>
<b>Current assets</b>			
Stocks	12	74,633	115,652
Debtors	13	927,365	890,544
Cash at bank and in hand		-	-
		<u>1,001,998</u>	<u>1,006,196</u>
<b>Creditors: amounts falling due within one year</b>	14	(2,695,219)	(2,632,787)
<b>Net current liabilities</b>		<u>(1,693,221)</u>	<u>(1,626,591)</u>
<b>Total assets less current liabilities</b>		<u>3,116,829</u>	<u>4,843,614</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(2,798,511)	(3,650,000)
<b>Net assets</b>		<u>318,318</u>	<u>1,193,614</u>
<b>Capital and reserves</b>			
Called up share capital	17	195,218	195,218
Share premium account	18	548,493	548,493
Capital redemption reserve	18	171,132	171,132
Profit and loss account	18	(596,525)	278,771
<b>Equity shareholders' funds</b>	18	<u>318,318</u>	<u>1,193,614</u>

These financial statements were approved by the board of directors on 21 July 2000 and were signed on its behalf by:



**FC Eliet**  
Director

## Consolidated cash flow statement

for the year ended 31 March 2000

	Note	2000	1999
		£	£
Net cash inflow from operating activities	20	893,988	462,951
<b>Returns on investments and servicing of finance</b>			
Interest paid on bank loans and overdrafts	(313,384)	(207,963)	
Interest paid under hire purchase contracts	(19,396)	(21,976)	
		<hr/>	<hr/>
<b>Net cash outflow from returns on investments and servicing of finance</b>		(332,780)	(229,939)
<b>Taxation</b>			
Corporation tax paid		(791)	(193,791)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets	(184,497)	(1,597,588)	
Receipts from sales of tangible fixed assets	11,125	14,135	
		<hr/>	<hr/>
<b>Net cash outflow from capital expenditure</b>		(173,372)	(1,583,453)
<b>Acquisitions and disposals</b>			
Purchase of trade		-	(3,060,142)
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		387,045	(4,604,374)
<b>Financing</b>			
New secured loans	-	3,800,000	
Issue of share capital	-	549,922	
Expenses paid in connection with share issue	-	(36,879)	
Repurchase of share capital	-	(1)	
Secured bank loan	(292,560)	(240,000)	
Capital element of hire purchase contract payments	(121,673)	(82,354)	
		<hr/>	<hr/>
<b>Net cash (outflow)/inflow from financing</b>		(414,233)	3,990,688
		<hr/>	<hr/>
<b>Decrease in cash in the year</b>	22	(27,188)	(613,686)
		<hr/> <hr/>	<hr/> <hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### ***Consolidation***

The consolidated financial statements incorporate the financial statements of Miramar Investments Limited and its subsidiary undertakings made up to 31 March 2000. The acquisition method of accounting has been adopted. Advantage of the exemption contained in S230, Companies Act 1985 has been taken whereby a separate profit and loss account of the company is not presented.

#### ***Tangible fixed assets and depreciation***

Depreciation is calculated on a straight line basis so as to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Long leasehold land and buildings	-	50 years
Motor vehicles	-	4 years
Plant and machinery	-	4 to 10 years
Fixtures, fittings, tools and equipment	-	5 to 10 years

No depreciation is charged on freehold land.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or the contracted rate where applicable. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Goodwill***

Purchased goodwill is being written off over 20 years, being its estimated useful life.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Leases and hire purchase contracts*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods manufactured by the group, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

#### *Pensions*

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amounts charged against profits represents the contributions payable to the scheme in respect of the accounting period.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual asset or liability will crystallise.

#### *Cash and liquid resources*

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

### 2 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services.

The group carries on only one class of business, that of the production, sale and distribution of packaging materials. Turnover relates wholly to supplies to the United Kingdom market.

## Notes (continued)

### 3 Operating profit

	2000 £	1999 £
<i>Operating profit is stated after charging/(crediting):</i>		
Depreciation and other amounts written off tangible fixed assets		
Owned	141,455	97,797
Under hire purchase agreements	102,431	90,462
Amortisation of goodwill	130,711	87,141
Profit on sale of fixed assets	(8,875)	(1,181)
Hire of plant and machinery	-	3,321
Hire of other assets - operating leases	87,500	95,200
Auditors' remuneration:		
audit	25,600	22,000
other services	9,400	13,000
	<hr/>	<hr/>
	2000 £	1999 £
Auditors' remuneration for the company:		
audit	3,600	7,000
other services	2,500	3,500
	<hr/>	<hr/>

### 4 Remuneration of directors

	2000 £	1999 £
Remuneration as executives	90,000	99,438
Company contributions to money purchase pension schemes	9,141	9,141
Remuneration as directors	21,875	16,000
	<hr/>	<hr/>
	121,016	124,579
	<hr/>	<hr/>

	2000 £	1999 £
<b>Number of directors</b>		
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	1
	<hr/>	<hr/>

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2000	1999
Management and administration	19	18
Production	34	36
Sales and distribution	26	27
	<hr/>	<hr/>
	79	81
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2000	1999
	£	£
Wages and salaries	1,177,171	1,059,728
Social security costs	98,093	101,495
Pension costs	33,427	31,405
	<hr/>	<hr/>
	1,308,691	1,192,628
	<hr/>	<hr/>

### 6 Interest payable and similar charges

	2000	1999
	£	£
On bank loans and overdrafts	314,204	207,963
Hire purchase interest	19,396	17,452
	<hr/>	<hr/>
	333,600	225,415
	<hr/>	<hr/>

### 7 Exceptional expenses

During the previous year the group incurred the following exceptional expenses that resulted from the acquisition of High Speed Carton Supply Services Limited, the changes in ownership of the group and relocation of premises:

	2000	1999
	£	£
Wages and consultancy	-	157,663
Legal fees	-	106,427
Rent	-	8,720
Bank charges	-	6,720
	<hr/>	<hr/>
	-	279,530
	<hr/>	<hr/>

## Notes (continued)

### 8 Taxation

	2000	1999
	£	£
UK corporation tax on the profit for the year on ordinary activities	89,110	13,500
Adjustments to prior year taxation charge	(13,500)	791
	<u>75,610</u>	<u>14,291</u>

### 9 Intangible fixed assets

Group	Goodwill £
<i>Cost</i>	
At beginning of year	2,614,219
At end of year	<u>2,614,219</u>
<i>Amortisation</i>	
At beginning of year	87,141
Charge for year	130,711
At end of year	<u>217,852</u>
<i>Net book value</i>	
At 31 March 2000	<u>2,396,367</u>
At 31 March 1999	<u>2,527,078</u>

## Notes (continued)

### 10 Tangible fixed assets

Group	Freehold land and buildings £	Long leasehold land and buildings £	Motor vehicles £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
<b>Cost</b>						
At beginning of year	1,501,468	449,582	473,957	337,952	269,247	3,032,206
Additions	29,062	-	85,471	83,416	132,776	330,725
Disposals	-	-	(28,494)	(3,024)	-	(31,518)
Transfers	(85,500)	-	-	85,500	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	1,445,030	449,582	530,934	503,844	402,023	3,331,413
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>						
At beginning of year	-	109,582	236,303	174,826	141,376	662,087
Charge for year	20,601	11,364	118,137	59,137	34,647	243,886
On disposals	-	-	(28,494)	(774)	-	(29,268)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	20,601	120,946	325,946	233,189	176,023	876,705
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>						
At 31 March 2000	1,424,429	328,636	204,988	270,655	226,000	2,454,708
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	1,501,468	340,000	237,654	163,126	127,871	2,370,119
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of assets held under hire purchase contracts and the depreciation charged in the year on such assets are given below:

	Net book value £	Depreciation charged £
Motor vehicles	192,880	81,459
Fixtures, fittings, tools and equipment	12,345	6,682
Plant and machinery	86,272	14,290
	<hr/>	<hr/>
	291,497	102,431
	<hr/>	<hr/>



**Notes (continued)**

**10 Tangible fixed assets (continued)**

Company	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
<i>Cost</i>				
At beginning of year	1,501,468	2,820	12,858	1,517,146
Additions	29,062	-	44,806	73,868
Transfers	(85,500)	85,500	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	1,445,030	88,320	57,664	1,591,014
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of year	-	352	11,600	11,952
Charge for year	20,601	9,255	2,068	31,924
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	20,601	9,607	13,668	43,876
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2000	1,424,429	78,713	43,996	1,547,138
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	1,501,468	2,468	1,258	1,505,194
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes (continued)**

**11 Fixed asset investments**

Company	Shares in subsidiary undertakings £	Loans to subsidiary undertakings £	Total £
<i>Cost</i>			
At beginning of year	652,099	4,487,912	5,140,011
Repayment of loans	-	(1,050,000)	(1,050,000)
	<hr/>	<hr/>	<hr/>
At end of year	652,099	3,437,912	4,090,011
	<hr/>	<hr/>	<hr/>
<i>Provision</i>			
At beginning and end of year	-	175,000	175,000
Change in provision	652,099	-	652,099
	<hr/>	<hr/>	<hr/>
At end of year	652,099	175,000	827,099
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2000	-	3,262,912	3,262,912
	<hr/>	<hr/>	<hr/>
At 31 March 1999	652,099	4,312,912	4,965,011
	<hr/>	<hr/>	<hr/>

The investment in the shares of subsidiary undertakings represents the cost of £652,000 of acquiring the entire ordinary share capital of Fletchers Packaging Limited. Fletchers Packaging Limited, a packaging wholesaler which trades exclusively in the UK, owns 100% of the ordinary share capital of RJ Sharman Limited and Industrial Print & Packaging Limited, both of which were dormant in both the current and preceding financial year and are held at nil value. The £98 represents the cost of acquiring the entire ordinary share capital of Beacon Packaging Services Limited, a corrugated cardboard case manufacturer, which trades exclusively in the UK. The £1 investment represents the cost of acquiring the entire ordinary share capital of Hi-Speed Carton Supply Services Limited, a corrugated cardboard case manufacturer, which trades exclusively in the UK. All of the above subsidiary undertakings are registered in England and Wales.

On 1 April 2000 the trading activities of three subsidiaries, Fletchers Packaging Limited, Beacon Packaging Services Limited and Hi-Speed Carton Supply Services Limited, were transferred to Miramar Investments Limited. Consequently the holding company has decided to provide against the cost of the investment in these subsidiaries.

## Notes (continued)

### 12 Stocks

	Group 2000 £	Company 2000 £	Group 1999 £	Company 1999 £
Raw materials and consumables	19,918	-	15,434	-
Work in progress	-	-	3,878	-
Finished goods and goods for resale	327,267	74,633	422,201	115,652
	<u>347,185</u>	<u>74,633</u>	<u>441,513</u>	<u>115,652</u>

### 13 Debtors

	Group 2000 £	Company 2000 £	Group 1999 £	Company 1999 £
Trade debtors	1,220,027	132,161	1,337,516	155,738
Amounts owed by subsidiary undertakings	-	729,958	-	639,099
Prepayments and accrued income	109,698	65,246	109,985	73,070
Other debtors	-	-	22,637	22,637
	<u>1,329,725</u>	<u>927,365</u>	<u>1,470,138</u>	<u>890,544</u>

**Notes (continued)**

**14 Creditors: amounts falling due within one year**

	Group 2000 £	Company 2000 £	Group 1999 £	Company 1999 £
Bank loans and overdrafts	1,334,412	1,051,127	1,223,403	807,452
Obligations under hire purchase contracts (see noted 15)	89,480	-	106,403	-
Trade creditors	487,170	8,536	542,335	14,849
Amounts owed to subsidiary undertakings	-	1,585,264	-	1,662,704
Other creditors including taxation and social security:				
Corporation tax	-	-	13,500	-
Other taxation and social security	118,980	7,923	218,278	101,015
Other accruals and deferred income	106,312	42,369	203,340	46,767
	<u>2,136,354</u>	<u>2,695,219</u>	<u>2,307,259</u>	<u>2,632,787</u>

**Secured borrowings**

The bank loans are secured by fixed and floating charges over the group's assets.

## Notes (continued)

### 15 Creditors: amounts falling due after more than one year

	Group 2000 £	Company 2000 £	Group 1999 £	Company 1999 £
Secured bank loan	2,798,511	2,798,511	3,650,000	3,650,000
Obligations under hire purchase contracts	113,004	-	71,497	-
	<u>2,911,515</u>	<u>2,798,511</u>	<u>3,721,497</u>	<u>3,650,000</u>

The above borrowings are repayable as follows:

Group	Secured bank loan	
	2000 £	1999 £
<i>Between:</i>		
One and two years	558,929	-
Two and five years	1,676,787	-
Over five years	562,795	3,650,000
	<u>2,798,511</u>	<u>3,650,000</u>

The maturity of obligations under hire purchase contracts is as follows:

	Obligations under hire purchase contracts	
	2000	1999
<i>Within:</i>		
One year	109,412	117,053
One and two years	60,375	68,409
Two and five years	60,831	19,372
	<u>230,618</u>	<u>204,834</u>
Less future finance charges	(28,135)	(26,936)
	<u>202,483</u>	<u>177,898</u>

## Notes (continued)

### 16 Deferred taxation

Group	Provided at 31 March		Unprovided at 31 March	
	2000 £	1999 £	2000 £	1999 £
Accelerated capital allowances	-	-	(69,027)	(10,837)
Short term timing differences	-	-	-	-
<b>Deferred tax (asset)/liability</b>	<b>-</b>	<b>-</b>	<b>(69,027)</b>	<b>(10,837)</b>
<hr/>				
Company	Provided at 31 March		Unprovided at 31 March	
	2000 £	1999 £	2000 £	1999 £
Accelerated capital allowances	-	-	(28,032)	(3,229)
Short term timing differences	-	-	-	-
<b>Deferred tax asset</b>	<b>-</b>	<b>-</b>	<b>(28,032)</b>	<b>(3,229)</b>
<hr/>				

Deferred taxation is not provided because the fixed assets are held for the long term and the liability is not expected to crystallise.

### 17 Called up share capital

	2000		1999	
	Number	Value £	Number	Value £
<b>Authorised:</b>				
Ordinary shares of £1 each	1,526,813	1,526,813	1,526,813	1,526,813
Deferred shares of £1 each	38,187	38,187	38,187	38,187
	<hr/>	<hr/>	<hr/>	<hr/>
	1,565,000	1,565,000	1,565,000	1,565,000
	<hr/>	<hr/>	<hr/>	<hr/>
	2000		1999	
	Number	Value £	Number	Value £
<b>Allotted, called up and fully paid:</b>				
Ordinary shares of £1 each	195,218	195,218	195,218	195,218
	<hr/>	<hr/>	<hr/>	<hr/>

## Notes (continued)

### 18 Reconciliation of movements in shareholders' funds

	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At beginning of year	548,493	171,132	673,707	1,393,332
Retained profit for the financial year	-	-	224,916	224,916
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At end of year</b>	<b>548,493</b>	<b>171,132</b>	<b>898,623</b>	<b>1,618,248</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Company</b>				
	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At beginning of year	548,493	171,132	278,771	998,396
Retained loss for the financial year	-	-	(875,296)	(875,296)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At end of year</b>	<b>548,493</b>	<b>171,132</b>	<b>(596,525)</b>	<b>123,100</b>
	<hr/>	<hr/>	<hr/>	<hr/>

### 19 Reconciliation of movements in shareholders' funds

<b>Group</b>	<b>2000</b> £	<b>1999</b> £
New shares issued	-	549,922
Share issue expenses	-	(36,879)
Profit/(loss) for the financial year	224,916	(3,403)
Opening shareholders' funds	1,588,550	1,078,910
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>1,813,466</b>	<b>1,585,550</b>
	<hr/>	<hr/>
<b>Company</b>	<b>2000</b> £	<b>1999</b> £
New shares issued	-	549,922
Share issue expenses	-	(36,879)
Loss for the financial year	(875,296)	(92,136)
Opening shareholders' funds	1,193,614	772,707
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>318,318</b>	<b>1,193,614</b>
	<hr/>	<hr/>

**Notes (continued)**

**20 Reconciliation of operating profit to net cash inflow from operating activities**

	2000 £	1999 £
Operating profit	545,046	515,833
Depreciation charge	243,886	188,259
Amortisation charges	130,711	87,141
Profit on sale of tangible fixed assets	(8,875)	(1,181)
Decrease in stocks	94,328	10,372
Decrease/(increase) in debtors	140,413	(41,461)
Decrease in creditors	(251,521)	(16,482)
Exceptional expenses	-	(279,530)
<b>Net cash inflow from operating activities</b>	<b>893,988</b>	<b>462,951</b>

**21 Reconciliation of net cash flow to movement in net debt**

	2000 £	1999 £
Decrease in cash in the year	(27,188)	(613,686)
Cash inflow/(outflow) from changes in debt and lease financing	414,233	(3,477,646)
<b>Change in net debt resulting from cash flows</b>	<b>387,045</b>	<b>(4,091,332)</b>
New finance leases	(146,258)	(54,920)
<b>Movement in net debt in the year</b>	<b>240,787</b>	<b>(4,146,252)</b>
Net debt at the start of the year	(4,242,844)	(96,592)
<b>Net debt at the end of the year</b>	<b>(4,002,057)</b>	<b>(4,242,844)</b>



## Notes (continued)

### 22 Analysis of net debt

	At 1 April 1999	Cash flows	Other non-cash changes	At 31 March 2000
	£	£	£	£
Cash in hand and at bank	808,458	(475,108)	-	333,350
Bank overdraft	(1,073,403)	447,920	-	(625,483)
		<u>(27,188)</u>		
Debt due within 1 year	(150,000)	150,000	(708,929)	(708,929)
Debt due after 1 year	(3,650,000)	142,560	708,929	(2,798,511)
Finance leases	(177,899)	121,673	(146,258)	(202,484)
		<u>414,233</u>		
<b>Total</b>	<b>(4,242,844)</b>	<b>387,045</b>	<b>(146,258)</b>	<b>(4,002,057)</b>

### 23 Commitments

#### *Operating lease commitments*

At 31 March, the group had commitments under operating leases as follows:

	2000 £	1999 £
Operating leases, in respect of property, which expire:		
Over five years	<u>87,500</u>	<u>95,200</u>

#### *Capital commitments*

At 31 March, the group had capital commitments for which no provision has been made in the financial statements as follows:

	2000 £	1999 £
Contracted	<u>-</u>	<u>43,460</u>

**Notes** *(continued)*

**24 Contingent liabilities**

The company has guaranteed the bank loans and overdrafts of its subsidiaries; the amount outstanding at this year end was £293,285 (1999: £415,951).

The company has given a rent guarantee of £45,000 (1999: £45,000) in relation to Kingsalton Limited.

**25 Pension scheme**

The group operates a defined contribution pension scheme. The pension charge for the year ended 31 March 2000 amounted to £33,427 (1999: £31,405). Contributions outstanding at 31 March 2000 were £4,330 (1999: £3,372).

**26 Ultimate controlling party**

There is no overall controlling party of Miramar Investments Limited.

# **Detailed profit and loss account (company only)**

*for the year ended 31 March 2000*

	2000		1999	
	£	£	£	£
<b>Sales</b>		<b>745,234</b>		<b>915,329</b>
Opening stock	115,653		108,716	
Purchases	416,400		548,680	
Freight	17,437		22,772	
Duty	24,402		34,519	
	<hr/>		<hr/>	
	573,892		714,687	
Less: closing stock	(74,632)		(115,653)	
	<hr/>		<hr/>	
Cost of goods sold		(499,260)		(599,034)
		<hr/>		<hr/>
<b>Gross profit</b>		<b>245,974</b>		<b>316,295</b>
<b>Distribution costs</b>		<b>(42,959)</b>		<b>(48,691)</b>
<b>Administration expenses</b>				
Salaries	20,929		20,203	
Telephone	753		819	
Insurance	15,239		13,440	
Advertising	1,638		23	
Legal and professional fees	8,463		33,157	
Consultancy fees	14,925		18,000	
Bank charges	68,097		3,563	
Sundry	1,110		4,186	
Depreciation	31,923		352	
	<hr/>	<hr/>	<hr/>	<hr/>
Carried forward	163,077	203,015	93,743	267,604

Pages 28 and 29 are for management purposes only and do not form part of the audited financial statements.

**Detailed profit and loss account (company only) (continued)**

*for the year ended 31 March 2000*

	2000		1999	
	£	£	£	£
Brought forward	163,077	203,015	93,743	267,604
Printing and stationery	-		2,488	
Bad debts	2,274		1,024	
Debt collection	259		13	
Travel and entertainment	-		1,491	
Service charge (warehousing transport, office accommodation and support)	30,000		33,000	
		(195,610)		(131,759)
<b>Operating profit</b>		<b>67,405</b>		<b>135,845</b>
Interest receivable		94,777		94,777
Interest payable		(325,379)		(220,827)
Exceptional expenses		(652,099)		(101,941)
<b>(Loss)/profit for the year before taxation</b>		<b>(875,296)</b>		<b>(92,146)</b>

Pages 26 and 27 are for management purposes only and do not form part of the audited financial statements.