

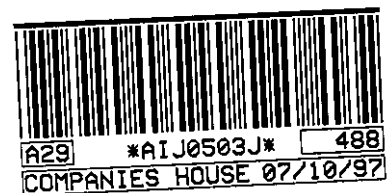
JAMES BURDEN LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 JANUARY 1997

Registered Number : 2702908

MORGAN BROWN & SPOFFORTH
Chartered Accountants



JAMES BURDEN LIMITED

COMPANY INFORMATION

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

J D Burden (Chairman)
T Hussey (Managing Director)
R Snelling
J E Payne
A T Burden
R Panting
A T Sharp

SECRETARY:

T Hussey

REGISTERED OFFICE:

3b Nettlefold Place
West Norwood
London
SE27 0JW

AUDITORS:

Morgan Brown & Spofforth
Chartered Accountants
82 St John Street
London
EC1M 4JN

BANKERS:

Lloyds Bank plc
West Smithfield Branch
66 West Smithfield
London
EC1A 9EH

TSB Commercial Finance Limited
Boston House
The Little Green
Richmond
Surrey
TW9 1QE

SOLICITORS:

Hamlin Slowe
P O Box 4SQ
Roxburghe House
273-287 Regent Street
London
W1A 4SQ

JAMES BURDEN LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 1997

I N D E X

Page Number

1 - 2	-	Directors' report
3	-	Auditors' report
4	-	Profit and loss account
5	-	Balance sheet
6	-	Cash flow statement
7 - 14	-	Notes to the financial statements

For the information of the directors

15 - 16	-	Detailed trading and profit and loss account
---------	---	--

JAMES BURDEN LIMITED**DIRECTORS' REPORT**

The directors present their report and the financial statements for the year ended 31 January 1997.

Principal Activity

The company's principal activity during the year continued to be that of a wholesaler of poultry, game and meat products.

The trade and the company has benefited from the uncertainty prevailing in the animal proteins market, which has led to higher prices and improved margins in poultry products, thus contributing to a substantial improvement in the returns.

The directors consider the present position to be satisfactory.

Results and Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

Fixed Assets

The significant changes in fixed assets during the year are explained in notes 6 and 7 to the financial statements.

Market Value of Land and Buildings

The company owns equipment and has quarterly tenancies of premises in Smithfield Market. In view of the re-organisation now in progress within the market, the directors consider it prudent to write down the carrying value of these assets to £nil.

Directors and Directors' Interests

The directors who held office during the year together with their beneficial interests in the issued share capital of the company were as follows:

	1997	1996
J D Burden	-	-
T Hussey	-	50
J E Payne	-	-
A T Burden	-	100
R Panting	-	-

The beneficial interests of the directors in the issued share capital of the parent company James Burden (Holdings) Limited were as follows:

		1997	1996
J D Burden	Beneficial	114,015	4,700
	Non Beneficial	-	4,000
T Hussey	Beneficial	5,393	-
J E Payne	Beneficial	17,182	-
A T Burden	Beneficial	8,785	-

Messrs Snelling and Sharp were appointed to the board on the 14 March 1997.

JAMES BURDEN LIMITED

DIRECTORS' REPORT

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

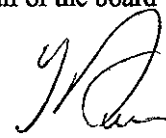
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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, as amended. 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.

Auditors

The auditors, Morgan Brown & Spofforth, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

On behalf of the board



T Hussey
Secretary

Date: 24 June 1997

AUDITORS' REPORT TO THE SHAREHOLDERS OF

JAMES BURDEN LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

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.

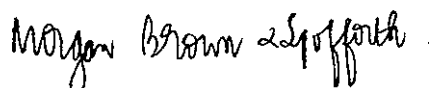
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity 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 1997 and of its profit for the year then ended and have been properly prepared in accordance with those provisions of the Companies Act 1985.

82 St John Street
London
EC1M 4JN

Date: 11 September 1997



MORGAN BROWN & SPOFFORTH
Chartered Accountants
Registered Auditor

JAMES BURDEN LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 JANUARY 1997**

		1997	1996
	Notes	£	£
Turnover	2	24,458,356	18,776,345
Cost of sales		<u>(23,419,159)</u>	<u>(17,975,254)</u>
Gross profit		1,039,197	801,091
Distribution costs		(193,541)	(296,921)
Administrative expenses		<u>(558,066)</u>	<u>(350,402)</u>
Operating profit	3	287,590	153,768
Interest payable and similar charges	4	<u>(51,280)</u>	<u>(30,844)</u>
Profit on ordinary activities before taxation		236,310	122,924
Tax on profit on ordinary activities	5	<u>(86,653)</u>	<u>(25,650)</u>
Retained profit for the financial year	14	<u><u>£149,657</u></u>	<u><u>£97,274</u></u>

Continuing Operations

The turnover and operating profit derive from continuing operations.

None of the company's activities were acquired or discontinued during the above two financial years.

Total Recognised Gains and Losses

The company has no recognised gains or losses other than the profits stated above.

Historical Cost Equivalents

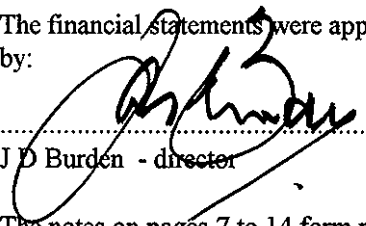
There is no difference between the profit reported above and the equivalent profit calculated on an unmodified historical cost basis.

The notes on pages 7 to 14 form part of these financial statements.

JAMES BURDEN LIMITED**BALANCE SHEET****AS AT 31 JANUARY 1997**

		1997		1996	
	Notes	£	£	£	£
Fixed Assets					
Intangible assets	6		-		27,500
Tangible assets	7		<u>78,538</u>		<u>88,989</u>
			78,538		116,489
Current Assets					
Stocks	8	164,931		149,875	
Debtors	9	2,278,629		1,952,558	
Cash at bank and in hand		<u>179,711</u>		<u>192,218</u>	
		2,623,271		2,294,651	
Creditors: amounts falling due within one year	10	<u>(2,426,790)</u>		<u>(2,270,903)</u>	
Net Current Assets			<u>196,481</u>		<u>23,748</u>
Total Assets less Current Liabilities			275,019		140,237
Creditors: amounts falling due after more than one year	11		<u>(12,857)</u>		<u>(27,732)</u>
Net Assets			<u>£262,162</u>		<u>£112,505</u>
Capital and Reserves					
Called up share capital	13		1,000		1,000
Profit and loss account	14		<u>261,162</u>		<u>111,505</u>
Shareholders' Funds (equity interests only)	15		<u>£262,162</u>		<u>£112,505</u>

The financial statements were approved by the board of directors on the date shown below and were signed on its behalf by:


 J D Burden - director

Date: 24 June 1997

The notes on pages 7 to 14 form part of these financial statements.

JAMES BURDEN LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 JANUARY 1997**

		1997	1996
	Notes	£	£
Net cash inflow/(outflow) from operating activities	22	91,271	(314,356)
Returns on investments and servicing of finance			
Interest paid		(51,280)	(30,844)
Dividends paid		-	(40,000)
Net cash inflow/(outflow) from returns on investments and servicing of finance		(51,280)	(70,844)
Taxation			
Corporation tax paid		(25,253)	(16,668)
Tax paid		(25,253)	(16,668)
Investing activities			
Payments to acquire tangible assets		(12,454)	(13,003)
Receipts from sales of tangible assets		6,799	23,900
Net cash inflow/(outflow) from investing activities		(5,655)	10,897
Net cash inflow/(outflow) before financing		9,083	(390,971)
Financing			
Capital element of hire purchase contracts		(31,615)	(32,751)
Net cash inflow/(outflow) from financing		(31,615)	(32,751)
Increase/(decrease) in cash and cash equivalents	24	£(22,532)	£(423,722)

The notes on pages 7 to 14 form part of these financial statements.

JAMES BURDEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JANUARY 1997****1. ACCOUNTING POLICIES**

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

Basis of preparation

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

Turnover

The turnover derives from the principal activity of the company and is stated exclusive of value added tax and trade discounts.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Plant and machinery	- 20% straight line
Fixtures, fittings and equipment	- 20% to 50% straight line
Motor vehicles	- 25% straight line

Foreign currencies

Transactions in foreign currencies are converted into sterling using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted into sterling using the rate of exchange ruling at the balance sheet date. Gains or losses on foreign currency transactions are included in the profit and loss account.

Finance lease and hire purchase agreements

Assets acquired under finance lease and hire purchase agreements are capitalised and depreciated in accordance with the provisions of Statement of Standard Accounting Practice 21. The related obligations, net of future finance charges, are included in creditors. The related finance charges are charged to the profit and loss account proportionally over the length of the respective finance agreements.

Rental charges on leases accounted for as operating leases as defined by Statement of Standard Accounting Practice 21 are charged to the profit and loss account in the period incurred.

Pension costs

The pension costs charged in the financial statements represent contributions payable by the company during the year in accordance with Statement of Standard Accounting Practice 24.

Stocks

Stocks are stated at the lower of cost and net realisable value.

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 liability will crystallise.

JAMES BURDEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1997****2. TURNOVER**

Turnover derives exclusively from trading activities in United Kingdom markets.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1997	1996
	£	£
The profit on ordinary activities before taxation is stated after charging or crediting		
Depreciation of intangible asset	27,500	-
Depreciation of tangible assets	35,143	24,737
Profit on disposal of fixed assets	(2,675)	(12,514)
Operating lease rentals		
- Plant and machinery	3,578	339
- Land and buildings	72,345	44,303
Auditors' remuneration	<u>10,000</u>	<u>10,000</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1997	1996
	£	£
On bank overdrafts	45,645	25,605
Hire purchase interest	<u>5,635</u>	<u>5,239</u>
	<u>£51,280</u>	<u>£30,844</u>

5. TAXATION

	1997	1996
	£	£
U.K. Current year taxation		
U.K. Corporation tax at 33% (1996 - 33%)	<u>85,550</u>	<u>25,650</u>
	85,550	25,650
Prior Years		
U.K. Corporation tax	<u>1,103</u>	-
	<u>£86,653</u>	<u>£25,650</u>

6. INTANGIBLE FIXED ASSETS

	Market Tenancies £
Cost	
At 1 February 1996	27,500
Written off in the year	<u>(27,500)</u>
At 31 January 1997	<u>£ -</u>

This represented premiums paid for the right to occupy premises in Smithfield market under quarterly tenancies granted by the Corporation of London. In view of the re-organisation of that market, the directors consider it prudent to write this asset off in the current year.

JAMES BURDEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1997****7. TANGIBLE FIXED ASSETS**

	Plant and Machinery £	Fixtures, Fittings and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 February 1996	18,775	55,121	109,470	183,366
Additions	9,564	-	19,252	28,816
Re-classification	39,283	(39,283)	-	-
Disposals	(50,649)	-	(14,641)	(65,290)
At 31 January 1997	<u>£16,973</u>	<u>£15,838</u>	<u>£114,081</u>	<u>£146,892</u>
Depreciation				
At 1 February 1996	11,962	44,261	38,154	94,377
Re-classification	40,350	(40,350)	-	-
On disposals	(50,649)	-	(10,517)	(61,166)
Charge for the year	<u>3,602</u>	<u>1,892</u>	<u>29,649</u>	<u>35,143</u>
At 31 January 1997	<u>£5,265</u>	<u>£5,803</u>	<u>£57,286</u>	<u>£68,354</u>
Net Book Value				
At 31 January 1997	<u>£11,708</u>	<u>£10,035</u>	<u>£56,795</u>	<u>£78,538</u>
At 31 January 1996	<u>£6,813</u>	<u>£10,860</u>	<u>£71,316</u>	<u>£88,989</u>

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

	Net Book Value £	Depreciation Charge £
Motor vehicles	<u>51,765</u>	<u>25,224</u>

8. STOCKS

	1997 £	1996 £
Goods for resale	<u>164,931</u>	<u>149,875</u>

The replacement cost of stocks is not materially different from the balance sheet amount.

JAMES BURDEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1997****9. DEBTORS**

	1997	1996
	£	£
Trade debtors	1,778,373	1,467,161
Amounts owed by group undertaking	429,810	408,817
Other debtors	36,586	28,977
Prepayments and accrued income	33,860	47,603
	<u>£2,278,629</u>	<u>£1,952,558</u>

Amount owed by group undertakings comprised of £429,810 (1996 - £408,017) due from James Burden (Holdings) Limited.

10. CREDITORS: Amounts falling due within one year

	1997	1996
	£	£
Bank overdrafts	924,655	914,630
Trade creditors	1,320,519	1,180,213
Corporation tax	85,550	24,150
Other taxes and social security costs	15,499	12,940
Other creditors	-	8
Net obligations under finance lease and hire purchase contracts (note 11)	24,243	24,621
Accruals and deferred income	56,324	114,341
	<u>£2,426,790</u>	<u>£2,270,903</u>

Included within bank overdrafts is an amount of £585,784 (1996 - £641,276) secured by a fixed and floating charge on the assets of the company.

11. CREDITORS: Amounts falling due after more than one year

	1997	1996
	£	£
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	27,014	31,321
Repayable between one and five years	13,539	27,732
	40,553	59,053
Finance charges and interest allocated to future accounting periods	(3,453)	(6,700)
	37,100	52,353
Included in current liabilities	(24,243)	(24,621)
	<u>£12,857</u>	<u>£27,732</u>

Obligations under finance leases and hire purchase contracts are secured upon the assets contained in those leases.

JAMES BURDEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1997****12. PENSION COSTS**

A defined contributions scheme is operated by the holding company, and the costs are recharged on an accruals basis. Disclosure relating to the scheme is given in the financial statements of the holding company.

13. SHARE CAPITAL

	1997 £	1996 £
Authorised 3,000 Ordinary shares of £1 each	<u>£3,000</u>	<u>£3,000</u>
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>

14. PROFIT AND LOSS ACCOUNT

	1997 £	1996 £
Retained profits at 1 February 1996	111,505	14,231
Retained profit for the year	<u>149,657</u>	<u>97,274</u>
Retained profits at 31 January 1997	<u>£261,162</u>	<u>£111,505</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year after taxation	149,657	97,274
Opening shareholders' funds	<u>112,505</u>	<u>15,231</u>
Closing shareholders' funds	<u>£262,162</u>	<u>£112,505</u>

16. CONTINGENT LIABILITIES

The company is a party to cross guarantees given in respect of overdraft and loan facilities accorded to the group. At 31 January 1997 an amount of £341,266 was outstanding under these arrangements, which is not otherwise dealt with in these financial statements.

JAMES BURDEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1997****17. FINANCIAL COMMITMENTS**

At 31 January 1997 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	1997	1996
	£	£
Expiry date:		
Within one year	63,000	53,000
Between two and five years	<u>15,000</u>	<u>-</u>
	<u>£78,000</u>	<u>£53,000</u>

18. CAPITAL COMMITMENTS

Details of capital commitments at the accounting date are as follows:

	1997	1996
	£	£
Contracted for but not provided in the financial statements	<u>£70,000</u>	<u>£ -</u>

19. DIRECTORS EMOLUMENTS

	1997	1996
	£	£
Remuneration	117,530	94,355
Benefits in kind	<u>15,011</u>	<u>14,071</u>
	<u>£132,541</u>	<u>£108,426</u>

Emoluments disclosed above are all receivable from the company and (excluding pension contributions) include amounts paid to:

The Chairman	<u>£ -</u>	<u>£ -</u>
The highest-paid director	<u>£44,617</u>	<u>£33,167</u>
Other directors' emoluments (excluding pension contributions) were in the following ranges:	No.	No.
£nil - £ 5,000	1	1
£30,001 - £35,000	1	2
£45,001 - £50,000	<u>1</u>	<u>-</u>

Pension contributions on behalf of the directors amounted to £6,000 (1996 - £8,810).

JAMES BURDEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1997****20. EMPLOYEES**

	1997	1996
	No.	No.
Number of employees		
The average monthly number of employees (including directors) during the year was:		
Administration	7	7
Sales and distribution	19	14
	<u>26</u>	<u>21</u>
Employment costs	£	£
Wages and salaries	585,071	478,876
Social security costs	55,491	39,683
Other pension costs	24,360	21,764
	<u>£664,922</u>	<u>£540,323</u>

21. ULTIMATE PARENT COMPANY

The ultimate parent company is James Burden (Holdings) Limited, who own 100% (1996 - 85%) of the issued share capital. James Burden (Holdings) Limited is registered in England and Wales.

The company has taken advantage of the exemption provisions in Financial Reporting Standard 8 in the respect of inter-group transactions.

Copies of the group financial statements of James Burden (Holdings) Limited are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

22. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	1997	1996
	£	£
Operating profit	287,590	153,768
Depreciation of tangible assets	35,143	24,737
Amortisation of intangible assets	27,500	-
Profit on disposal of tangible assets	(2,675)	(12,514)
Increase in stocks	(15,056)	9,955
Increase in debtors	(326,071)	(651,446)
Increase in creditors due within one year	84,840	161,144
Net cash inflow/(outflow) from operating activities	<u>£91,271</u>	<u>£(314,356)</u>

JAMES BURDEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JANUARY 1997****23. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR**

	1997 £	1996 £
Balance at 1 February 1996	(722,412)	(298,690)
Net cash inflow/(outflow)	<u>(22,532)</u>	<u>(423,722)</u>
Balance at 31 January 1997	<u>£(744,944)</u>	<u>£(722,412)</u>

24. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	1997 £	1996 £	Change in year £
Cash at bank and in hand	179,711	192,218	(12,507)
Bank overdrafts	<u>(924,655)</u>	<u>(914,630)</u>	<u>(10,025)</u>
	<u>£(744,944)</u>	<u>£(722,412)</u>	<u>£(22,532)</u>

25. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share Capital £	Loans and Finance Lease Obligations £
Balance at 1 February 1996	1,000	52,353
Cash inflow/(outflow) from financing	-	(31,615)
Inception of finance lease contracts	-	<u>16,362</u>
	<u>£1,000</u>	<u>£37,100</u>