

Company Registration No. 2702908

JAMES BURDEN LIMITED

**Report and Financial Statements
for the year ended 31st January 1996**

Morgan Brown & Spofforth
82, St. John Street
London
EC1M 4JN



JAMES BURDEN LIMITED
REPORT AND FINANCIAL STATEMENTS 1996

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JAMES BURDEN LIMITED

REPORT AND FINANCIAL STATEMENTS 1996

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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

SECRETARY

T. Hussey

REGISTERED OFFICE

3b Nettlefold Place
West Norwood
London SE27 OJW

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

AUDITORS

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

JAMES BURDEN LIMITED

Directors' Report for the year ended 31st January 1996

The directors present their report and the financial statements for the year ended 31st January 1996.

Principal Activities and Review of the Business

The principal activity of the company is as a wholesaler of poultry game and meat products.

In a difficult year for the poultry trade, the company has maintained its share of the market, which, together with improved margins and control of costs, has led 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 5.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £97,274 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in notes 7 and 8 to the financial statements.

Market Value of Land and Buildings

The company owns equipment and has quarterly tenancies of premises in Smithfield Market. In the directors opinion these would realise, if offered for sale, not less than the amount at which they are stated in the balance sheet.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares	
		1996	1995
J.D. Burden	Ordinary shares	-	-
T.Hussey	Ordinary shares	50	50
J.E. Payne	Ordinary shares	-	-
A.T. Burden	Ordinary shares	100	100
R. Panting	Ordinary shares	-	-

Mr J E Payne is a director of Dover Ships Stores Limited, a fellow subsidiary company, and his interests in its shares are shown in its accounts. Mr A T Burden and Mr T Hussey are also directors of J B (Chilled Foods) Limited, a fellow subsidiary company, and their interests in its shares are shown in its accounts.

JAMES BURDEN LIMITED

Directors' Report for the year ended 31st January 1996 (continued)

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Morgan Brown & Spofforth be reappointed as auditors of the company will be put to the Annual General Meeting.

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 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.

This report was approved by the Board on 15th May 1996.

T. Hussey
Secretary



JAMES BURDEN LIMITED

**AUDITORS' REPORT TO THE MEMBERS OF
JAMES BURDEN LIMITED**

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 judgments 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 31st January 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Morgan Brown & Spofforth

Morgan Brown & Spofforth
Chartered Accountants
Registered Auditor
82, St. John Street
London
EC1M 4JN

22nd May 1996.

JAMES BURDEN LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JANUARY 1996**

	Notes	1996 £	1995 £
TURNOVER	2	18,776,345	14,507,521
Cost of sales		<u>(17,975,254)</u>	<u>(13,849,753)</u>
Gross profit		801,091	657,768
Distribution costs		<u>(296,921)</u>	<u>(274,652)</u>
Administrative expenses		<u>(350,402)</u>	<u>(312,761)</u>
OPERATING PROFIT	3	153,768	70,355
Interest payable and similar charges	4	<u>(30,844)</u>	<u>(14,123)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		122,924	56,232
Tax on profit on ordinary activities	5	<u>(25,650)</u>	<u>(15,168)</u>
Profit on ordinary activities after taxation		97,274	41,064
Dividends	6	<u>-</u>	<u>(40,000)</u>
RETAINED PROFIT FOR THE YEAR	15	<u>£ 97,274</u>	<u>£ 1,064</u>

There are no recognised gains and losses other than those passing through the profit and loss account.

JAMES BURDEN LIMITED

**BALANCE SHEET
31ST JANUARY 1996**

	Notes	1996 £	1995 £
FIXED ASSETS			
Intangible assets	7	27,500	27,500
Tangible assets	8	88,989	57,443
		<u>116,489</u>	<u>84,943</u>
CURRENT ASSETS			
Stocks	9	149,875	159,830
Debtors	10	1,952,558	1,301,112
Cash at bank and in hand		192,218	68,887
		<u>2,294,651</u>	<u>1,529,829</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(2,270,903)</u>	<u>(1,582,471)</u>
NET CURRENT ASSETS		<u>23,748</u>	<u>(52,642)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>140,237</u>	<u>32,301</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	<u>(27,732)</u>	<u>(17,070)</u>
		<u><u>£112,505</u></u>	<u><u>£15,231</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	1,000	1,000
Profit and loss account	15	111,505	14,231
SHAREHOLDERS' FUNDS - EQUITY	16	<u><u>£112,505</u></u>	<u><u>£15,231</u></u>

The financial statements were approved by the Board on 15th May 1996.

J.D. Burden
Director



JAMES BURDEN LIMITED

CASH FLOW STATEMENT

for the year ended 31st January 1996

	1996		1995	
	£	£	£	£
Net cash in/outflow from operating activities		(314,356)		225,702
Returns on investments and servicing of finance				
Interest paid	(25,605)		(11,929)	
Interest element of finance lease rentals	(5,239)		(2,194)	
Dividends paid	(40,000)		-	
Net cash in/outflow from returns on investments and servicing of finance		(70,844)		(14,123)
Taxation				
Corporation tax paid (including advance corporation tax)	(16,668)		(8,180)	
Tax paid		(16,668)		(8,180)
Investing activities				
Payments to acquire tangible assets	(13,003)		(16,329)	
Receipts from sales of tangible assets	23,900		2,009	
Net cash in/outflow from investing activities		10,897		(14,320)
Net cash in/outflow before financing		(390,971)		189,079
Financing				
Capital element of hire purchase contracts	(32,751)		(16,175)	
Net cash in/outflow from financing		(32,751)		(16,175)
In/Decrease in cash and cash equivalents		£(423,722)		£172,904

JAMES BURDEN LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31st January 1996

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH IN/OUT FLOW FROM OPERATING ACTIVITIES	1996	1995
	£	£
Operating profit	153,768	70,355
Depreciation of tangible assets	24,737	31,296
Profit on disposal of tangible assets	(12,514)	(2,009)
Decrease in stocks	9,955	1,718
Increase in debtors	(651,446)	(29,362)
Increase in creditors due within one year	161,144	153,704
Net cash in/outflow from operating activities	£ (314,356)	£ 225,702

2 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR	1996	1995
	£	£
Balance at 1st February 1995	(298,690)	(471,594)
Net cash in/outflow	(423,722)	172,904
Balance at 31st January 1996	£ (722,412)	£ (298,690)

3 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	1996	1995	Change in year
	£	£	£
Cash at bank and in hand	192,218	68,887	123,331
Bank overdrafts	(914,630)	(367,577)	(547,053)
	£ (722,412)	£ (298,690)	£ (423,722)

4 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR	Share capital	Loans and finance lease obligations
	£	£
Balance at 1st February 1995	1,000	30,438
Cash in/outflow from financing	-	(32,751)
Inception of finance lease contracts	-	50,040
Balance at 31st January 1996	£1,000	£52,353

JAMES BURDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st January 1996**

1. ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	20% Straight line
Fixtures, fittings and equipment	-	20% Straight line
Motor vehicles	-	25% Straight line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

JAMES BURDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st January 1996 (continued)

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

3. OPERATING PROFIT

	1996 £	1995 £
Operating profit is stated after charging:		
Depreciation of tangible assets	24,737	31,296
Operating lease rentals		
- Plant and machinery	339	2,360
- Land and buildings	44,303	36,627
Auditors' remuneration	10,000	16,000
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
On bank loans and overdrafts	25,605	11,929
Lease finance charges and hire purchase interest	5,239	2,194
	<u>£30,844</u>	<u>£14,123</u>

5. Taxation

	1996 £	1995 £
U.K. Current year taxation		
U.K. Corporation tax at 33% (1995 - 25%)	25,650	15,197
	<u>25,650</u>	<u>15,197</u>
Prior years		
U.K. Corporation tax	-	(29)
	<u>£25,650</u>	<u>£15,168</u>

6. Dividends

	1996 £	1995 £
Ordinary:		
Final proposed	-	40,000
	<u> </u>	<u> </u>

JAMES BURDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st January 1996 (continued)

7. INTANGIBLE FIXED ASSETS

	Market Tenancies £
Cost	
At 1st February 1995 & at 31st January 1996	£27,500

This represents premiums paid for the right to occupy premises in Smithfield Market under quarterly tenancies granted by the Corporation of London. No amortisation is provided on this asset since, in the directors' opinion, the residual value is not less than the amount stated in the balance sheet.

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1st February 1995	113,008	48,331	134,048	295,387
Additions	3,600	6,790	57,279	67,669
Disposals	(97,833)	-	(81,857)	(179,690)
At 31st January 1996	18,775	55,121	109,470	183,366
Depreciation				
At 1st February 1995	108,514	42,369	87,061	237,944
On disposals	(97,833)	-	(70,471)	(168,304)
Charge for year	1,281	1,892	21,564	24,737
At 31st January 1996	11,962	44,261	38,154	94,377
Net book values				
At 31st January 1996	£ 6,813	£10,860	£71,316	£ 88,989
At 31st January 1995	£ 4,494	£ 5,962	£46,987	£ 57,443

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

	Net book value £	Depreciation charge £
Motor vehicles	65,662	18,905

JAMES BURDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st January 1996 (continued)

9. STOCKS	1996 £	1995 £
Finished goods and goods for resale	149,875	159,830

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

10. DEBTORS	1996 £	1995 £
Trade debtors	1,467,163	887,516
Amounts owed by group undertaking	408,815	354,471
Other debtors	28,977	29,761
Prepayments and accrued income	47,603	29,364
	<u>£1,952,558</u>	<u>£1,301,112</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1996 £	1995 £
Bank loans and overdrafts	914,630	367,577
Net obligations under finance lease and hire purchase contracts	24,621	13,368
Trade creditors	1,180,213	950,378
Corporation tax	24,150	15,168
Other taxes and social security costs	12,940	11,130
Other creditors	8	1,542
Accruals and deferred income	114,341	183,308
Proposed dividend	-	40,000
	<u>£2,270,903</u>	<u>£1,582,471</u>

The bank overdraft is secured by a fixed and floating charge on the assets of the company.

JAMES BURDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st January 1996 (continued)

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1996 £	1995 £
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	31,321	15,778
Repayable between one and five years	27,732	18,421
	<u>59,053</u>	<u>34,199</u>
Finance charges and interest allocated to future accounting periods	(6,700)	(3,761)
	<u>52,353</u>	<u>30,438</u>
Included in current liabilities	(24,621)	(13,368)
	<u>£27,732</u>	<u>£17,070</u>

Finance lease and hire purchase contract obligations are secured upon the assets to which they relate.

13. 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.

14. SHARE CAPITAL	1996 £	1995 £
Authorized		
3,000 Ordinary shares of £1 each	£3,000	£3,000
	<u>£3,000</u>	<u>£3,000</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	£1,000	£1,000
	<u>£1,000</u>	<u>£1,000</u>

15. PROFIT AND LOSS ACCOUNT	1996 £	1995 £
Retained profits at 1st February 1995	14,231	13,167
Retained profit for the year	97,274	1,064
	<u>111,505</u>	<u>14,231</u>
Retained profits at 31st January 1996	<u>£111,505</u>	<u>£14,231</u>

JAMES BURDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st January 1996 (continued)

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	97,274	41,064
Dividends	-	(40,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	97,274	1,064
Opening shareholders' funds	15,231	14,167
	<hr/>	<hr/>
Closing shareholders' funds	<u>£112,505</u>	<u>£15,231</u>

17. FINANCIAL COMMITMENTS

At 31st January 1996 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1996	1995
	£	£
Expiry date:		
Within one year	53,000	49,000
	<hr/>	<hr/>
	<u>£53,000</u>	<u>£49,000</u>

18. DIRECTORS' EMOLUMENTS

	1996 £	1995 £
Remuneration	<u>£102,381</u>	<u>£82,987</u>

Emoluments disclosed above (excluding pension contributions) include amounts paid to:

The chairman	£ -	£ -
	<hr/>	<hr/>
The highest-paid director	<u>£33,167</u>	<u>£35,000</u>

Other directors' emoluments (excluding pension contributions) were in the following ranges:

	Number	Number
£Nil - £5,000	1	1
£10,001 - £15,000	-	1
£30,001 - £35,000	2	1
	<hr/>	<hr/>

JAMES BURDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st January 1996 (continued)

19. EMPLOYEES

Number of employees

The average weekly number of employees (including directors) during the year was:

	1996 Number	1995 Number
Administration	7	7
Sales and distribution	14	14
	<u>21</u>	<u>21</u>

Employment costs

	£	£
Wages and salaries	478,876	364,843
Social security costs	39,683	34,490
Other pension costs	21,764	21,112
	<u>£540,323</u>	<u>£420,445</u>

20. ULTIMATE PARENT COMPANY

The ultimate parent company is James Burden (Holdings) Limited a company registered in England and Wales. Copies of the group financial statements of James Burden (Holdings) Limited are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.