

JAMES BURDEN LIMITED

Report and Financial Statements

31 January 1995



REPORT AND FINANCIAL STATEMENTS 1995

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REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J D Burden
T Hussey
J E Payne
A T Burden
R P Panting

SECRETARY

T Hussey

REGISTERED OFFICE

3b Nettlefold Place
West Norwood
London
SE27 0JW

BANKERS

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

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

SOLICITORS

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

AUDITORS

Touche Ross & Co.
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 January 1995.

PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

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 DIVIDENDS AND TRANSFERS TO RESERVES

The results for the year are set out on page 6.

The directors recommend payment of a dividend amounting to £40,000 (1994 - £nil). It is proposed that the retained profit of £1,064 (1994 - £9,053) is transferred to reserves.

FIXED ASSETS

The movements in fixed assets during the year are set out in notes 8 and 9 to the accounts.

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 ordinary shares of the company were as stated below:

	Number of shares	
	1995	1994
J D Burden	-	-
T Hussey	50	50
J E Payne	-	-
A T Burden	100	100
R P Panting	-	-

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 financial statements.

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 financial statements.

Mr J D Burden is a director of the parent company, James Burden (Holdings) Limited, and his interests in the group are shown in its financial statements.

Mr R P Panting was appointed as a director on 27 June 1995.

CLOSE COMPANY

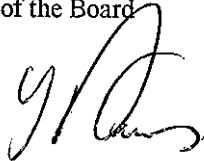
In the opinion of the directors, the company is a close company for taxation purposes.

DIRECTORS' REPORT

AUDITORS

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



T HUSSEY
Secretary

30 November 1995

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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 a 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. 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.



Chartered Accountants

Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR

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AUDITORS' REPORT TO THE MEMBERS OF JAMES BURDEN LIMITED

We have audited the financial statements on pages 6 to 15 which have been prepared under the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 4 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 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

Touche Ross & Co.
Chartered Accountants and Registered Auditors

30 November 1995


PROFIT AND LOSS ACCOUNT
Year ended 31 January 1995

	Note	Continuing operations	
		1995	1994
		£	£
TURNOVER	1, 2	14,507,521	14,273,876
Cost of sales		(13,849,753)	(13,559,569)
Gross profit		657,768	714,307
Distribution costs		(274,652)	(346,548)
Administrative expenses		(312,761)	(337,175)
Other operating (expenses)/income		-	(172)
OPERATING PROFIT	4	70,355	30,412
Interest payable and similar charges	5	(14,123)	(13,179)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		56,232	17,233
Tax on profit on ordinary activities	6	(15,168)	(8,180)
PROFIT FOR THE YEAR		41,064	9,053
Dividends	7	(40,000)	-
PROFIT RETAINED FOR THE YEAR		1,064	9,053
Retained profit brought forward		13,167	4,114
Retained profit carried forward		14,231	13,167

There were no recognised gains and losses for the current financial year and preceding financial year other than as stated in the profit and loss account.

There were no movements in shareholders' funds for the current financial year and preceding financial year other than the profit retained for the year.

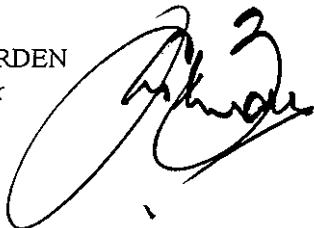
BALANCE SHEET
31 January 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Intangible assets	8	27,500	27,500
Tangible assets	9	57,443	42,773
		<u>84,943</u>	<u>70,273</u>
CURRENT ASSETS			
Stocks	10	159,830	161,548
Debtors	11	1,301,112	1,271,750
Cash at bank and in hand		68,887	69,315
		<u>1,529,829</u>	<u>1,502,613</u>
CREDITORS: amounts falling due within one year	12	<u>(1,582,471)</u>	<u>(1,554,095)</u>
NET CURRENT LIABILITIES		<u>(52,642)</u>	<u>(51,482)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		32,301	18,791
CREDITORS: amounts falling due after more than one year	13	<u>(17,070)</u>	<u>(4,624)</u>
		<u>15,231</u>	<u>14,167</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,000	1,000
Profit and loss account		14,231	13,167
Total shareholders' funds - all equity		<u>15,231</u>	<u>14,167</u>

These financial statements were approved by the Board of Directors on 30 November 1995.

Signed on behalf of the Board of Directors

J D BURDEN
Director



NOTES TO THE CASH FLOW STATEMENT
Year ended 31 January 1995

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit	70,355	30,412
Depreciation	31,296	35,394
Profit on sale of fixed assets	(1,215)	(1,868)
Decrease/(increase) in stocks	1,718	(18,971)
(Increase)/decrease in debtors	(29,362)	88,680
Increase in creditors	153,704	13,081
Net cash inflow from operating activities	<u>226,496</u>	<u>146,728</u>

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD

	£
Balance at 31 January 1994	(471,594)
Net cash inflow	<u>172,904</u>
Balance at 31 January 1995	<u>(298,690)</u>

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	1995 £	1994 £	Change in the year £
Cash at bank and in hand	68,887	69,315	(428)
Bank overdraft	<u>(367,577)</u>	<u>(540,909)</u>	<u>173,332</u>
	<u>(298,690)</u>	<u>(471,594)</u>	<u>172,904</u>

4. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Finance lease obligations £
Balance at 1 February 1994	16,976
Cash outflows from financing	(18,188)
Inception of finance lease contracts	<u>31,650</u>
Balance at 31 January 1995	<u>30,438</u>

CASH FLOW STATEMENT
Year ended 31 January 1995

	Note	1995 £	1994 £
Net cash inflow from operating activities	1	226,496	146,728
Returns on investments and servicing of finance			
Interest paid		(11,929)	(10,720)
Interest element of finance lease rentals		(2,194)	(2,459)
Net cash outflow from returns on investments and servicing of finance		(14,123)	(13,179)
Taxation			
Corporation tax paid		(8,180)	-
Tax paid		(8,180)	-
Investing activities			
Payments to acquire tangible fixed assets		(16,329)	(7,598)
Receipts from sales of tangible fixed assets		3,228	9,422
Net cash (outflow)/inflow from investing activities		(13,101)	1,824
Net cash inflow before financing		191,092	135,373
Financing			
Capital element of finance lease rental payments	4	(18,188)	(25,097)
Net cash outflow from financing		(18,188)	(25,097)
Increase in cash and cash equivalents	2	172,904	110,276

NOTES TO THE ACCOUNTS
For the year ended 31 January 1995

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Tangible and intangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Plant and machinery	10-20% per annum
Furniture, fixtures and equipment	20% per annum
Motor vehicles	25% per annum

Market tenancies are amortised if, in the opinion of the directors, a diminution in value from book to estimated residual value will occur over the useful lives of the assets to the company. Amortisation is calculated to write off the diminution in value over the remaining useful lives by equal annual instalments.

Stock

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

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

Leasing and hire purchase

Assets held under finance leases or hire purchase contracts are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation. Costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Pension

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

NOTES TO THE ACCOUNTS

For the year ended 31 January 1995

2. TURNOVER

Turnover comprises sales of game and poultry to third parties wholly within the United Kingdom.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1995 £	1994 £
Directors' emoluments	82,987	81,866
Remuneration of the highest paid director	35,000	33,500
	No.	No.
The number of directors, excluding the highest paid director, whose remuneration fell within the following ranges were:		
£ 0 - £ 5,000	2	2
£ 10,001 - £ 15,000	1	-
£ 30,001 - £ 35,000	1	1
	No.	No.
Average number of persons employed		
Sales and distribution	14	14
Administration	7	8
	21	22
	£	£
Staff costs during the period (including directors)		
Wages and salaries	364,843	349,579
Social security costs	34,490	32,620
Pension costs	21,112	24,604
	420,445	406,803

NOTES TO THE ACCOUNTS
For the year ended 31 January 1995

4. OPERATING PROFIT

	1995 £	1994 £
Operating profit is after charging:		
Depreciation	31,296	35,394
Rentals under operating leases		
- hire of plant and machinery	2,360	9,756
- other	36,627	30,871
Auditors' remuneration - audit fees	16,000	16,000

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
Bank loans, overdrafts and other loans repayable within five years	11,929	10,720
Finance leases and hire purchase contracts	2,194	2,459
	14,123	13,179

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
United Kingdom corporation tax at 25% (1994-25%) based on the profit for the period	15,197	8,180
Adjustment in respect of prior years	(29)	-
	15,168	8,180

7. DIVIDENDS

	1995 £'000	1994 £'000
Final dividend proposed (£4.00 per ordinary share)	40,000	-

8. INTANGIBLE FIXED ASSETS

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.



NOTES TO THE ACCOUNTS

For the year ended 31 January 1995

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures, fittings, tools and equipment £	Total £
At 1 February 1994	109,199	101,753	44,506	255,458
Additions	3,809	40,345	3,825	47,979
Disposals	-	(8,050)	-	(8,050)
At 31 January 1995	113,008	134,048	48,331	295,387
At 1 February 1994	107,321	63,611	41,753	212,685
Charge for the year	1,193	29,488	616	31,297
Disposals	-	(6,038)	-	(6,038)
At 31 January 1995	108,514	87,061	42,369	237,944
Net book value				
At 31 January 1995	4,494	46,987	5,962	57,443
At 31 January 1994	1,878	38,142	2,753	42,773

	1995 £	1994 £
Net book value of the company's fixed assets in respect of assets held under finance lease or hire purchase contracts	19,950	27,604

10. STOCKS

	1995 £	1994 £
Goods held for resale	159,830	161,548

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


NOTES TO THE ACCOUNTS
For the year ended 31 January 1995
11. DEBTORS

	1995 £	1994 £
Trade debtors	887,516	722,297
Amounts owed by parent company	354,471	504,979
Other debtors	29,761	12,856
Prepayments and accrued income	29,364	31,618
	<u>1,301,112</u>	<u>1,271,750</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Bank overdraft	367,577	540,909
Trade creditors	950,378	745,037
Obligations under finance leases and hire purchase contracts	13,368	12,352
Amounts owed to fellow subsidiaries	-	155,275
Corporation tax	15,168	8,180
Other taxes and social security	11,130	8,558
Accruals and deferred income	183,308	83,784
Other creditors	1,542	-
Proposed dividend	40,000	-
	<u>1,582,471</u>	<u>1,554,095</u>

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

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995 £	1994 £
Obligations under finance leases and hire purchase contracts	<u>17,070</u>	<u>4,624</u>

14. CALLED UP SHARE CAPITAL

	1995 £	1994 £
Authorised 2,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
Called up, allotted and fully paid 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

NOTES TO THE ACCOUNTS
For the year ended 31 January 1995

15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	1995 £	1994 £
Minimum lease payments payable		
within one year	15,778	13,383
within two to five years	18,421	4,803
	<hr/>	<hr/>
Finance charges allocated to future periods	34,199	18,186
	(3,761)	(1,210)
	<hr/>	<hr/>
	30,438	16,976
	<hr/>	<hr/>
Due within one year	13,368	12,352
Due after more than one year	17,070	4,624
	<hr/>	<hr/>
	30,438	16,976
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Finance lease and hire purchase contract obligations are secured on the assets to which they relate.

16. OPERATING LEASE COMMITMENTS

At 31 January 1995 the company was committed to making the following payments during the next year in respect of operating leases expiring:

	Land and buildings £	Other £
Leases which expire:		
Within one year	47,000	2,000
	<hr/>	<hr/>

17. 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, Mandy, Cardiff CF4 3UZ.