

# Brodie and Stone Holdings plc

## FINANCIAL STATEMENTS

for the period ended  
31 March 2000

# Amending



# Brodie and Stone Holdings plc

## DIRECTORS AND OFFICERS

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### DIRECTORS

MS Eggerton  
PA Manley  
K Rockhill

### SECRETARY

PA Manley

### REGISTERED OFFICE

2 Bloomsbury Street  
London WC1B 3ST

### AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

### COMPANY NUMBER

03701192 (England and Wales)

# Brodie and Stone Holdings plc

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Brodie and Stone Holdings plc for the period ended 31 March 2000.

On 31 March 1999 Brodie and Stone Holdings plc issued ordinary shares as consideration for the acquisition of the entire issued share capital of Brodie and Stone plc, such acquisition being accounted for as a merger. The consolidated financial statements, prepared under merger accounting rules, have been presented as if Brodie and Stone plc had always been so owned, regardless of the actual merger date. Corresponding figures for the previous year have been prepared on the same basis.

### INCORPORATION

The company was incorporated on 26 January 1999 as Brodie and Stone Holdings plc.

### PRINCIPAL ACTIVITIES

The principal activity of the group during the period was that of sales and marketing of personal care and cosmetic products.

### REVIEW OF THE BUSINESS

To achieve greater focus on the various activities within the business, a group structure was created with effect from 1 April 1999. Within that structure, Brodie & Stone International Plc is responsible for developing and marketing our own brands throughout the world. Brodie & Stone Lifestyle Ltd creates own label ranges on behalf of major UK retailers and Brodie & Stone Plc trades exclusively in the USA.

Group turnover increased by 16.5% to £7.7 million from £6.58 million in 1998/1999. Operating profits declined to £245,000 from £437,000 last year, largely as a result of the significant investment the group made in developing own label and USA business.

Following this investment, we are confident that the own label and USA business will be profitable in the current period and will become significant contributors to future group profits. This, together with the continued development of new innovative product ranges, means that we are confident of continuing the growth in turnover and returning to an acceptable level of profitability in the current period.

### DIVIDENDS

The directors recommend the payment of a dividend of 104 pence per share (amounting to £104,000).

### DIRECTORS

The following directors have held office since 1 April 1999:

MS Eggerton	(appointed 26 January 1999)
PA Manley	(appointed 1 May 1999)
K Rockhill	(appointed 26 January 1999)

# Brodie and Stone Holdings plc

## DIRECTORS' REPORT

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### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Directors' interests in the shares of the company, including family interests, were as follows:

	Ordinary
<i>shares</i>	<i>of £1 each</i>
	31.03.00
MS Eggerton	99,000
PA Manley	-
K Rockhill	-

### POLICY ON THE PAYMENT OF CREDITORS

With respect to its suppliers, the group does not follow any code or standard on payments practice.

The group's policy for all suppliers is:

- (i) to settle terms of payment with those suppliers when agreeing the terms of each transaction;
- (ii) to ensure that those suppliers are made aware of the term of payment; and
- (iii) to abide by the terms of payment.

During the year, the average credit taken from suppliers by company was 55 days (75 days).

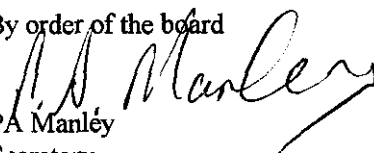
### INTRODUCTION OF THE EURO

All relevant parts of the Group will be able to handle euro transactions when required.

### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

  
PA Manley  
Secretary

# Brodie and Stone Holdings plc

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 of the group for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- d. 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 group and company and to enable them to ensure that the financial statements comply with the requirements of 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.

## AUDITORS' REPORT TO THE MEMBERS OF BRODIE & STONE HOLDINGS PLC

We have audited the financial statements on pages 6 to 24.

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

BAKER TILLY

Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

23 OCTOBER 2000

**Brodie and Stone Holdings plc**  
**GROUP PROFIT AND LOSS ACCOUNT**  
**for the period ended 31 March 2000**

	<i>Notes</i>	52 weeks ended 31 March 2000 £	52 weeks ended 31 March 1999 £	Statutory period from 26 January 1999 to 31 March 2000 £
TURNOVER	1	7,701,856	6,583,146	8,742,440
Cost of sales		(5,138,599)	(3,591,374)	(5,876,151)
Gross profit		2,563,257	2,991,772	2,866,289
Administration expenses		(2,332,858)	(2,559,433)	2,618,476
		230,399	432,339	247,813
Other operating income	2	14,084	5,053	19,137
OPERATING PROFIT		244,483	437,392	266,950
Interest receivable and similar income	3	699	995	699
		245,182	438,387	267,649
Interest payable	4	(26,011)	(24,643)	(29,955)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	219,171	413,744	237,694
Taxation	7	(76,903)	(152,054)	(80,608)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		142,268	261,690	157,806
Dividends	8	(104,000)	-	(104,000)
RETAINED PROFIT FOR THE PERIOD	18	38,268	261,690	53,806

The operating profit for the period arises from the group's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# Brodie and Stone Holdings plc

## CONSOLIDATED BALANCE SHEET

31 March 2000

	Notes	2000 £	1999 £
<b>FIXED ASSETS</b>			
Intangible assets	10	189,438	271,714
Tangible assets	11	249,346	214,836
Investments	12	200	200
		<u>438,984</u>	<u>486,750</u>
<b>CURRENT ASSETS</b>			
Stocks	13	531,120	605,557
Debtors	14	1,584,419	1,442,120
Cash at bank and in hand		179,405	64,678
		<u>2,294,944</u>	<u>2,112,355</u>
CREDITORS: Amounts falling due within one year	15	1,931,204	1,781,156
NET CURRENT ASSETS		<u>363,740</u>	<u>331,199</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		802,724	817,949
CREDITORS: Amounts falling due after more than one year	16	42,270	95,763
		<u>760,454</u>	<u>722,186</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	100,000	100,000
Profit and loss account	18	660,454	622,186
EQUITY SHAREHOLDERS' FUNDS	19	<u>760,454</u>	<u>722,186</u>

Approved by the board on

23 OCTOBER 2000

Director





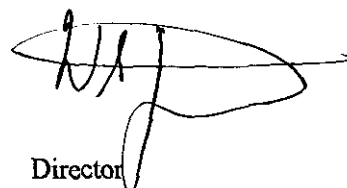
# Brodie and Stone Holdings plc

## COMPANY BALANCE SHEET

31 March 2000

	<i>Notes</i>	2000 £
FIXED ASSETS		
Investments	12	112,600
CURRENT ASSETS		
Debtors	14	450,000
CREDITORS: Amounts falling due within one year	15	116,600
NET CURRENT ASSETS		333,400
TOTAL ASSETS LESS CURRENT LIABILITIES		446,000
CAPITAL AND RESERVES		
Called up share capital	17	100,000
Profit and loss account		346,000
EQUITY SHAREHOLDER'S FUNDS		446,000

Approved by the board on

  
Director

# Brodie and Stone Holdings plc

## CASH FLOW STATEMENT

for the period ended 31 March 2000

	Notes	52 weeks ended 31 March 2000 £	52 weeks ended 31 March 1999 £	Statutory period from 26 January 1999 to 31 March 2000 £
Cash flow from operating activities	20a	549,995	(53,419)	891,747
Returns on investments and servicing of finance	20b	(129,312)	(23,648)	(133,226)
Taxation		(143,935)	(94,589)	(147,671)
Capital expenditure and financial investment	20b	(120,401)	(291,906)	(123,599)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		156,347	(463,562)	487,251
Financing	20b	(43,459)	198,635	(54,519)
INCREASE/(DECREASE) IN CASH IN THE PERIOD		112,888	(264,927)	432,732

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN DEBT

		52 weeks ended 31 March 2000 £	52 weeks ended 31 March 1999 £	Statutory period from 26 January 1999 to 31 March 2000 £
Increase in cash in the period		112,888	(264,927)	432,732
Change in net debt resulting from cash flows		-	1,365	-
New finance leases		(22,898)	(28,116)	(22,898)
New loans		-	(200,000)	-
MOVEMENT IN NET FUNDS/(DEBT) IN PERIOD		89,990	(491,678)	409,834
NET (DEBT)/FUNDS BROUGHT FORWARD		(219,469)	272,209	(137,523)
NET DEBT AT 31 MARCH 2000	20c	(129,479)	(219,469)	272,311

# Brodie and Stone Holdings plc

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

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

### BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of Brodie and Stone Holdings Plc and all of its subsidiary undertakings except for two immaterial dormant subsidiaries, Brodie and Stone (Export) Limited and Newton Laboratories Limited.

The acquisition of Brodie and Stone plc has therefore been accounted for as a merger. The consolidated financial statements merge the financial statements of Brodie and Stone Holdings plc and Brodie and Stone plc as if they had always so been owned. Accordingly, in those periods when mergers take place, the whole of the results, assets, liabilities and shareholders' funds of the merged companies are consolidated regardless of the actual merger date, and corresponding figures for the previous years are restated.

The group financial statements also consolidate Brodie & Stone Lifestyle Limited and Brodie and Stone International plc who are 100% subsidiaries of Brodie and Stone Holdings plc.

In order to provide additional information the director have also included the consolidated results of the group for the year ended 31 march 2000 and for comparative purposes the consolidated profit and loss account, balance sheet and cashflow statement extracted from the non statutory accounts prepared in respect of Brodie and Stone Holdings plc for the year ended 31 March 1999.

All financial statements have been made up to 31 March 2000.

### INTANGIBLE FIXED ASSETS

Goodwill and trademarks acquired in respect of purchased brands are depreciated in equal annual amounts over a period of five years. Costs of creating and developing own brands are written off immediately in the year in which they arise.

### TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Improvements to property	15% on reducing balance
Fixtures, fittings and equipment	15% on reducing balance
Motor vehicles	25% on reducing balance
Computer equipment	33% on reducing balance

### INVESTMENTS

Long term investments are described as participating interests and are classified as fixed assets.

Participating interests are stated at cost. Provision is made for any diminution in the value of fixed asset investments.

### STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

# Brodie and Stone Holdings plc

## ACCOUNTING POLICIES

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### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

### FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

### PENSIONS CONTRIBUTIONS

The group operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

### COMPARATIVES

The financial statements have been prepared as if the Group in its present form had existed for the comparative year ended 31 March 1999.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

# Brodie and Stone Holdings plc

## NOTES TO THE FINANCIAL STATEMENTS

### for the period ended 31 March 2000

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#### 1 TURNOVER ON ORDINARY ACTIVITIES BEFORE TAXATION

The group's turnover all derived from its principal activity. Sales were made in the following geographical markets:

	52 weeks ended 31 March 2000 £	52 weeks ended 31 March 1999 £	Statutory period from 26 January 1999 to 31 March 2000 £
United Kingdom	7,671,208	5,935,600	8,491,384
European Union	-	174,337	-
Non European Union	30,648	473,209	251,056
	<u>7,701,856</u>	<u>6,583,146</u>	<u>8,742,440</u>

#### 2 OTHER OPERATING INCOME

	52 weeks ended 31 March 2000 £	52 weeks ended 31 March 1999 £	Statutory period from 26 January 1999 to 31 March 2000 £
Royalties	10,000	-	10,000
Other income	4,084	5,053	9,137
	<u>14,084</u>	<u>5,053</u>	<u>19,137</u>

**Brodie and Stone Holdings plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period ended 31 March 2000**

3	INTEREST RECEIVABLE AND SIMILAR INCOME	52 weeks ended	52 weeks ended	Statutory period from
		31 March 2000	31 March 1999	26 January 1999 to 31 March 2000
		£	£	£
	Bank interest receivable	699	995	699
		<u>          </u>	<u>          </u>	<u>          </u>
4	INTEREST PAYABLE	52 weeks ended	52 weeks ended	Statutory period from
		31 March 2000	31 March 1999	26 January 1999 to 31 March 2000
		£	£	£
	On bank loans, overdrafts and other loans:			
	Bank interest	16,269	23,986	19,707
	On other loans	9,742	657	10,248
		<u>26,011</u>	<u>24,643</u>	<u>29,955</u>
5	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	52 weeks ended	52 weeks ended	Statutory period from
		31 March 2000	31 March 1999	26 January 1999 to 31 March 2000
		£	£	£
	Profit on ordinary activities before taxation is stated after charging/(crediting):			
	Depreciation and amounts written off tangible fixed assets:			
	Charge for the period:			
	owned assets	43,259	54,841	52,399
	leased assets	39,843	2,059	40,186
	Loss/(profit) on disposals	2,788	(6,583)	1,691
	Amortisation of goodwill	5,000	5,000	5,833
	Amortisation of patents and licences	77,276	75,576	89,872
	Exchange gains	(13,872)	(17,548)	(16,797)
	Operating lease rentals:			
	Plant and machinery	7,933	12,441	10,007
	Land and buildings	25,900	35,750	31,888
	Auditors' remuneration - audit	22,000	14,250	24,375
	- non-audit services	29,000	21,500	32,583
		<u>          </u>	<u>          </u>	<u>          </u>

**Brodie and Stone Holdings plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period ended 31 March 2000**

**6 EMPLOYEES**

	52 weeks ended 31 March 2000 No.	52 weeks ended 31 March 1999 No.	Statutory period from 26 January 1999 to 31 March 2000 No.
The average monthly number of persons (including directors) employed by the group during the period was:			
Office and management	11	8	11
Sales and marketing	6	11	6
	<u>17</u>	<u>19</u>	<u>17</u>
	52 weeks ended 31 March 2000 £	52 weeks ended 31 March 1999 £	Statutory period from 26 January 1999 to 31 March 2000 £
Staff costs for the above persons:			
Wages and salaries	744,063	649,469	880,765
Social security costs	83,492	64,349	101,419
Other pension costs	30,280	30,280	35,315
	<u>857,835</u>	<u>744,098</u>	<u>1,017,499</u>

**Brodie and Stone Holdings plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 31 March 2000

6 EMPLOYEES (*continued*)

	52 weeks ended 31 March 2000 No.	52 weeks ended 31 March 1999 No.	Statutory period from 26 January 1999 to 31 March 2000 No.
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**DIRECTORS' REMUNERATION**

Emoluments	429,250	342,167	513,085
Fees	-	97,138	27,100
	<u>429,250</u>	<u>439,305</u>	<u>540,185</u>

Directors' emoluments disclosed above include the following payments to the highest paid director:

	52 weeks ended 31 March 2000 £	52 weeks ended 31 March 1999 £	Statutory period from 26 January 1999 to 31 March 2000 £
Emoluments	344,832	341,667	401,777
Money purchase pension contributions	30,280	30,280	35,315
	<u>375,112</u>	<u>371,947</u>	<u>437,092</u>

	52 weeks ended 31 March 2000 £	52 weeks ended 31 March 1999 £	Statutory period from 26 January 1999 to 31 March 2000 £
The number of directors to whom relevant benefits are accruing under:	Number	Number	Number
money purchase pension schemes was	1	1	1

7 TAXATION

	52 weeks ended 31 March 2000 £	52 weeks ended 31 March 1999 £	Statutory period from 26 January 1999 to 31 March 2000 £
Based on the result for the period:			
UK corporation tax	76,903	143,792	80,608
Underprovided in earlier years	-	8,262	-
	<u>76,903</u>	<u>152,054</u>	<u>80,608</u>



**Brodie and Stone Holdings plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period ended 31 March 2000**

**8 DIVIDENDS**

	52 weeks ended 31 March 2000 £	52 weeks ended 31 March 1999 £	Statutory period from 26 January 1999 to 31 March 2000 £
Ordinary: Final proposed dividend - 104 pence per share (1999: nil)	104,000	-	104,000

**9 PROFIT ATTRIBUTABLE TO THE PARENT COMPANY**

During the period, the parent company made a profit of £346,000.

**10 INTANGIBLE FIXED ASSETS**

	<i>Goodwill</i> £	<i>Brands, Patents and licences</i> £	<i>Total</i> £
<b>GROUP</b>			
Cost			
26 January 1999, 1 April 1999 and 31 March 2000	25,000	386,380	411,380
Amortisation:			
26 January 1999	16,667	108,050	124,717
Charged in the period	833	14,116	14,949
1 April 1999	17,500	122,166	139,666
Charged in the period	5,000	77,276	82,276
31 March 2000	22,500	199,442	221,942
Net book value			
31 March 2000	2,500	186,938	189,438
31 March 1999	7,500	264,214	271,714

**Brodie and Stone Holdings plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 31 March 2000

11	TANGIBLE FIXED ASSETS	<i>Improvements to property</i>	<i>Fixtures, fittings and equipment</i>	<i>Motor vehicles</i>	<i>Computer equipment</i>	<i>Total</i>
	GROUP	£	£	£	£	£
	Cost					
	26 January 1999	-	136,559	128,136	78,794	343,489
	Additions	-	3,198	-	-	3,198
	1 April 1999	-	139,757	128,136	78,794	346,687
	Additions	4,216	34,310	174,851	51,510	264,887
	Disposals	-	-	(174,777)	-	(174,777)
	31 March 2000	4,216	174,067	128,210	130,304	436,797
	Depreciation					
	26 January 1999	-	64,260	20,154	37,954	122,368
	Charged in period	-	2,168	4,768	2,547	9,483
	1 April 1999	-	66,428	24,922	40,501	131,851
	Charged in the period	527	15,257	39,843	27,475	83,102
	Disposals	-	-	(27,502)	-	(27,502)
	31 March 2000	527	81,685	37,263	67,976	187,451
	Net book value					
	31 March 2000	3,689	92,382	90,947	62,328	249,346
	31 March 1999	-	73,329	103,214	38,293	214,836

The net book value of motor vehicles includes £90,947 (1999: £47,357) in respect of assets held under hire purchase contracts.

# Brodie and Stone Holdings plc

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2000

12	FIXED ASSETS INVESTMENTS GROUP	<i>Listed</i> £	<i>Unlisted</i> £	<i>Total</i> £
	Cost and net book value: 31 March 2000 and 31 March 1999	-	200	200

The group's investments at the balance sheet date in the share capital of unlisted companies are as follows:

	Country of incorporation	Class of shares	Percentage of holding	Nature of business	Aggregate capital and reserves
Brodie and Stone (Export) Limited	England	Ordinary	100%	Dormant	£ 495
Newton Laboratories Limited	England	Ordinary	100%	Dormant	£ 2
COMPANY					Unlisted subsidiary undertakings £
Cost					
Additions					112,600
31 March 2000					112,600
Amounts written off					
31 March 2000					-
Net book value					
31 March 2000					112,600

The company holds more than 20% of the equity of the following undertakings:

	Class of holding	Proportion directly held	Nature of business
Brodie and Stone International plc	Ordinary	100%	Sale and marketing of personal care own brand products and cosmetics.
Brodie and Stone plc	Ordinary	100%	Sale and marketing of personal care and cosmetic products in the USA.
Brodie & Stone Lifestyle Limited	Ordinary	100%	Sale and marketing of personal care and cosmetic products to major UK retailers.
Brodie and Stone (Export) Limited	Ordinary	100%	Dormant
Newton Laboratories Limited	Ordinary	100%	Dormant

Brodie and Stone Export Limited and Newton Laboratories Limited are not consolidated as in the opinion of the directors, the figures would be of no value to the members. At 31 March 2000 the companies had capital and reserves of £497 and had not traded during the period.

**Brodie and Stone Holdings plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period ended 31 March 2000**

13	STOCKS	Group 2000 £	Group 1999 £	Company 2000 £
	Raw materials	279,849	205,779	-
	Finished goods	251,271	399,778	-
		<u>531,120</u>	<u>605,557</u>	<u>-</u>
14	DEBTORS	Group 2000 £	Group 1999 £	Company 2000 £
	Due within one year:			
	Trade debtors	1,386,261	1,270,535	-
	Other debtors	120,021	101,205	-
	Prepayments and accrued income	78,137	70,380	-
	Amounts due from subsidiary undertaking	-	-	450,000
		<u>1,584,419</u>	<u>1,442,120</u>	<u>450,000</u>
15	CREDITORS: Amounts falling due within one year	Group 2000 £	Group 1999 £	Company 2000 £
	Bank loans and overdrafts	181,574	179,732	-
	Obligations under finance leases	18,682	8,650	-
	Trade creditors	1,357,429	1,175,303	-
	Corporation tax	76,759	143,792	-
	Amounts owed to subsidiary undertakings	-	-	116,600
	Other taxation and social security costs	202,725	126,819	-
	Accruals and deferred income	94,035	146,860	-
		<u>1,931,204</u>	<u>1,781,156</u>	<u>116,600</u>
Included in bank loans and overdraft is a balance of £66,670 which represents the amounts due within one year on a three year loan facility.				
16	CREDITORS: Amounts falling due in more than one year	Group 2000 £	Group 1999 £	Company 2000 £
	Bank loan	11,303	77,662	-
	Obligations under finance leases	30,967	18,101	-
		<u>42,270</u>	<u>95,763</u>	<u>-</u>
	Repayable by instalments:			
	Obligations under finance leases and bank loans between two and five years	42,270	95,763	-
		<u>42,270</u>	<u>95,763</u>	<u>-</u>

**Brodie and Stone Holdings plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 31 March 2000

16 CREDITORS: Amounts falling due in more than one year (*continued*)

- i) The bank loan is held for a period of three years and is secured by a fixed and floating charge over the company's assets. Interest is payable at 2.5% above the Lloyds Bank base rate.
- ii) The company entered into a debenture deed on 13 April 1999 to the benefit of Lloyds Bank plc which involves a fixed and floating charge over the undertaking and all present and future assets.

	2000 £	1999 £
17 SHARE CAPITAL		
Authorised:		
100,000 shares of £1 each	100,000	100,000
Allotted, issued and fully paid:		
100,000 ordinary shares of £1 each	100,000	100,000

During the period the company allotted 100,000 ordinary £1 shares at par.

	2000 £	1999 £
18 PROFIT AND LOSS ACCOUNT		
GROUP		
Profit for the financial period ended 31 March 1999	15,538	
Brought forward	606,648	
31 March 1999	622,186	
Profit for the financial period	142,268	261,690
Dividend declared	(104,000)	-
Brought forward	38,268	261,690
	622,186	360,496
31 March 2000	660,454	622,186
COMPANY		
Brought forward	-	-
Profit for the financial period	346,000	346,000
31 March 2000	346,000	346,000

**Brodie and Stone Holdings plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the period ended 31 March 2000

19	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2000 £	1999 £
	<b>GROUP</b>		
	Profit for the financial period ended 31 March 1999	15,538	
		<u>15,538</u>	
	Opening shareholders' equity funds	606,648	
	Closing shareholders' funds	<u>622,186</u>	
	Profit for the financial period	142,268	261,690
	Issue of shares	100,000	-
	Dividends declared	(104,000)	-
	Net addition to shareholders' funds	<u>138,268</u>	<u>261,690</u>
	Opening equity shareholders' funds	622,186	460,496
	Closing equity shareholders' funds	<u>760,454</u>	<u>722,186</u>
20	<b>CASH FLOWS</b>		Statutory period from
		52 weeks ended 31 March 2000 £	52 weeks ended 31 March 1999 £
			26 January 1999 to 31 March 2000 £
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating profit	244,483	437,392
	Depreciation	165,378	137,476
	Loss/(profit) on sale of fixed assets	2,789	(6,583)
	Increase in stocks	(8,898)	(47,210)
	Increase in debtors	(142,300)	(535,338)
	Increase/(decrease) in creditors	288,543	(39,156)
	Net cash flow from operating activities	<u>549,995</u>	<u>(53,419)</u>
			<u>891,747</u>

**Brodie and Stone Holdings plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period ended 31 March 2000**

20 CASH FLOWS (continued)

	52 weeks ended 31 March 2000 £	52 weeks ended 31 March 1999 £	Statutory period from 26 January 1999 to 31 March 2000 £
b Analysis of cash flows for headings netted in the cash flow			
<b>Returns on investments and servicing of finance</b>			
Interest received	699	995	699
Interest paid	(130,011)	(24,643)	(133,925)
<b>Net cash outflow for returns on investment and servicing of income</b>	<b>(129,312)</b>	<b>(23,648)</b>	<b>(133,226)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of intangible fixed assets	-	(265,556)	-
Purchase of tangible fixed assets	(264,887)	(53,850)	(268,085)
Sale of intangible fixed assets	-	10,000	-
Sale of tangible fixed assets	144,486	17,500	144,486
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(120,401)</b>	<b>(291,906)</b>	<b>123,599</b>
<b>Financing</b>			
Repayment of bank loan	(66,357)	-	(77,416)
Capital element of finance lease rental payments	-	(1,365)	-
Finance leases advanced	22,898	-	22,898
Inception of bank loan	-	200,000	-
<b>Net cash (outflow)/inflow from financing</b>	<b>(43,459)</b>	<b>198,635</b>	<b>(54,519)</b>

**Brodie and Stone Holdings plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period ended 31 March 2000**

20	CASH FLOWS ( <i>continued</i> )	Brought forward £	Cash flow £	Other non cash changes £	At 31 March 2000 £
c	Analysis of net debt				
	Cash in hand, at bank	64,678	114,727		179,405
	Overdrafts	(113,062)	(1,839)		(114,901)
			112,888		
	Debt due after 1 year	(77,662)		66,359	(11,303)
	Debt due within one year	(66,672)		-	(66,672)
	Finance leases	(26,751)		(89,257)	(116,008)
	Total	(219,469)	112,888	(22,898)	(129,479)
	Analysed in balance sheet				
	Cash at bank and in hand	64,678			179,406
	Bank overdraft and loan	(179,734)			(181,574)
	Long term loan	(77,662)			(77,662)
	Finance lease:				
	due in one year	(8,650)			(18,682)
	due after one year	(18,101)			(30,967)
		(219,469)			(129,479)

**21 COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000 £	1999 £
Plant and machinery		
expiring in the first year	436	436
expiring in the second to fifth year	7,497	7,497
Land and buildings		
expiring in the first year	8,100	8,100
expiring in the second to fifth year	17,800	17,800
	33,833	33,833



# Brodie and Stone Holdings plc

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2000

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### 22 CONTINGENT LIABILITIES

There is a bank guarantee in favour of HM Customs and Excise in the sum of £60,000 (1999: £60,000) for two of the subsidiary companies. Their bankers have fixed and floating charges over all the assets of the company.

### 23 CAPITAL COMMITMENT

2000	1999
£	£

Capital expenditure contracted for but not provided  
in the financial statements

-	153,000
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### 24 RELATED PARTY TRANSACTION

The group and company is controlled by the director MS Eggerton, due to his controlling interest in the share capital of the group's ultimate parent undertaking, Brodie and Stone Holdings plc.

### 25 COMPANY PROFIT AND LOSS ACCOUNT

As permitted by s230 Companies Act 1985, the company has not presented its own profit and loss account.