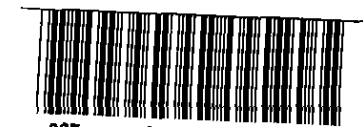


**United Bakeries (Bathgate) Limited
(formerly United Bakeries Limited)**

**Report and Financial Statements
for the year ended 28 February 2001**

Company No: 161497



SCT SML1Z245 0842
COMPANIES HOUSE 06/07/01

William Duncan & Co
Chartered Accountants
30 Miller Road
AYR KA7 2AY

UNITED BAKERIES (BATHGATE) LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2001

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UNITED BAKERIES (BATHGATE) LIMITED

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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2001

DIRECTORS

D S Orr

B Cook

A Cunningham

SECRETARY

J Kelly

REGISTERED OFFICE

43 Inchmuir Road

Whitehill Industrial Estate

Bathgate

West Lothian

EH48 6SW

BANKERS

Bank of Scotland

Almondvale South

Livingston

West Lothian

EH54 6SW

SOLICITORS

Allan McDougall & Co SSC

3 Coates Crescent

Edinburgh

EH3 7AL

MacRoberts

52 Bath Street

Glasgow

G2 4TB

AUDITORS

William Duncan & Co

30 Miller Road

Ayr

KA7 2AY

UNITED BAKERIES (BATHGATE) LIMITED

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 28 February 2001.

On 2 May 2001 the company changed its name by special resolution from United Bakeries Limited to United Bakeries (Bathgate) Limited.

ACTIVITIES

During the year the group was engaged in the production and sale of bakery products.

RESULTS

The company made a profit before appropriations of £99,083 (2000 - £55,429).

DIVIDENDS

No dividends have been paid or proposed during the year (2000 - £Nil).

FUTURE PROSPECTS

The directors are pleased to report an improvement to profitability during the year and have taken steps to address continued competitive pressures and maintain profitability in the future.

DIRECTORS AND THEIR INTERESTS

The membership of the board for the year ended 28 February 2001 is set out on page 1. Mr B Cook resigned on 27 April 2001.

The directors who served during the year and their interests in the share capital of the company were as follows:

	Ordinary Shares of £1 each	
	2001	2000
D S Orr	269,231	269,231
B Cook	-	-
A Cunningham	-	-

POST BALANCE SHEET EVENT

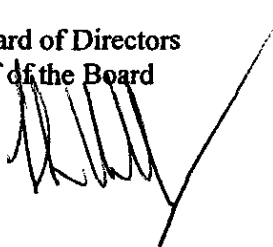
On 27 April 2001 the whole of the issued share capital of the company was acquired by United Bakeries Limited (formerly Dunwilco (836) Limited), a company controlled by D S Orr.

AUDITORS

William Duncan & Co has expressed its willingness to accept appointment under S385(2) of the Companies Act 1985 and a resolution to reappoint William Duncan & Co will be proposed at the forthcoming Annual General Meeting.

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

J Kelly, Secretary
27 June 2001



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 group and company as at the end of the financial period and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company or 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 group and 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR'S REPORT TO THE MEMBERS OF UNITED BAKERIES LIMITED

We have audited the financial statements on pages 5 to 21 which have been prepared under the historical cost convention and the accounting policies set out pages 10 and 11.

Respective responsibilities of directors and auditor

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.

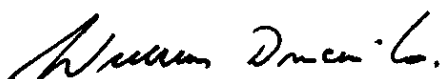
Basis of opinion

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 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 group and company at 28 February 2001 and of the profits of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



William Duncan & Co
Chartered Accountants
& Registered Auditor
Ayr

27 June 2001

UNITED BAKERIES (BATHGATE) LIMITED

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2001**

	Notes	2001 £	2000 £
TURNOVER	2	9,124,282	9,883,967
Cost of sales		<u>6,990,058</u>	<u>(7,626,062)</u>
Gross profit		<u>2,134,224</u>	<u>2,257,905</u>
Distribution costs		(97,119)	(107,542)
Administrative expenses		(1,746,056)	(1,826,092)
Other operating income	4	<u>57,465</u>	<u>45,200</u>
		<u>(1,785,710)</u>	<u>(1,888,434)</u>
OPERATING PROFIT		348,514	369,471
Interest payable and similar charges	5	<u>(260,031)</u>	<u>(308,958)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	88,483	60,513
Tax credit/(charge) on profit on ordinary activities	7	<u>10,600</u>	<u>(5,084)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		99,083	55,429
Appropriations in respect of non equity shares		<u>(247,500)</u>	<u>(247,500)</u>
RETAINED LOSS FOR THE FINANCIAL YEAR	17	<u>(148,417)</u>	<u>(192,071)</u>

Total recognised gains and losses

There have been no recognised gains and losses attributable to the shareholders other than the profit for the current and preceding financial year and accordingly, no Statement of Total Recognised Gains and Losses is shown.

The group has no recognised gains and losses other than those dealt with in the profit and loss account.

Continued operations

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

UNITED BAKERIES (BATHGATE) LIMITED

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CONSOLIDATED BALANCE SHEET AT 28 FEBRUARY 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Intangible assets	8	627,748	751,202
Tangible assets	9	4,058,292	4,268,730
		<u>4,686,040</u>	<u>5,019,932</u>
CURRENT ASSETS			
Stocks	11	331,230	249,701
Debtors	12	1,318,948	1,437,278
Cash at bank and in hand		711	127
		<u>1,650,889</u>	<u>1,687,106</u>
CREDITORS: Amounts falling due within one year	13	<u>3,748,640</u>	<u>3,781,042</u>
NET CURRENT LIABILITIES		<u>(2,097,751)</u>	<u>(2,093,936)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,588,289	2,925,996
CREDITORS: amounts falling due after more than one year	14	995,272	1,376,662
PROVISION FOR LIABILITIES & CHARGES	15	-	10,600
ACCRUALS AND DEFERRED INCOME			
Deferred government grants		<u>286,925</u>	<u>331,725</u>
		<u>1,306,092</u>	<u>1,207,009</u>
CAPITAL AND RESERVES			
Called up share capital	16	786,731	786,731
Share premium account	17	1,667,512	1,667,512
Profit and loss account	17	(1,148,151)	(1,247,234)
TOTAL SHAREHOLDERS' FUNDS	18	<u>1,306,092</u>	<u>1,207,009</u>
ANALYSIS OF SHAREHOLDERS' FUNDS			
Equity shareholders		(1,700,170)	(1,551,753)
Non-equity shareholders		3,006,262	2,758,762
		<u>1,306,092</u>	<u>1,207,009</u>

The financial statements were approved by the board on 27 June 2001 and signed on its behalf by

A Cunningham, Director

D S Orr, Director

The notes on pages 10 to 21 form part of these financial statements.

UNITED BAKERIES (BATHGATE) LIMITED

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COMPANY BALANCE SHEET AT 28 FEBRUARY 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Investments	10	<u>2,447,627</u>	<u>2,447,627</u>
CURRENT ASSETS			
Debtors	12	6,489	6,489
Cash at bank and in hand		<u>127</u>	<u>127</u>
		6,616	6,616
CREDITORS: Amounts falling due within one year	13	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>6,616</u>	<u>6,616</u>
TOTAL NET ASSETS		<u>2,454,243</u>	<u>2,454,243</u>
CAPITAL AND RESERVES			
Called up share capital	16	786,731	786,731
Share premium account	17	1,667,512	1,667,512
Profit and loss account	17	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' FUNDS	18	<u>2,454,243</u>	<u>2,454,243</u>
ANALYSIS OF SHAREHOLDERS FUNDS			
Equity shareholders		(552,019)	(304,519)
Non equity shareholders		<u>3,006,262</u>	<u>2,758,762</u>
		<u>2,454,243</u>	<u>2,454,243</u>

The financial statements were approved by the board on 27 June 2001 and signed on its behalf by

A Cunningham, Director



D Orr, Director



The notes on pages 10 to 21 form part of these financial statements.

UNITED BAKERIES (BATHGATE) LIMITED

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**CASH FLOW STATEMENT FOR THE YEAR ENDED
28 FEBRUARY 2001**

	Notes	2001 £	2000 £
Net cash inflow from operating activities	1	<u>1,099,214</u>	<u>1,813,102</u>
Returns on investments and servicing of finance			
Interest paid		<u>(260,031)</u>	<u>(308,958)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(260,031)</u>	<u>(308,958)</u>
Taxation			
Corporation tax paid (including advance corporation tax)		<u>(24,251)</u>	<u>(4,689)</u>
		<u>(24,251)</u>	<u>(4,689)</u>
Capital Expenditure			
Payments to acquire tangible fixed assets		<u>(174,140)</u>	<u>(174,242)</u>
Receipts from sales of tangible fixed assets		<u>56,833</u>	<u>84,158</u>
Net cash outflow from investing activities		<u>(117,307)</u>	<u>(90,084)</u>
Cash inflow before financing		<u>697,625</u>	<u>1,409,371</u>
Financing			
Repayment of loans		<u>(339,619)</u>	<u>(330,310)</u>
Capital elements of hire purchase payments		<u>(300,200)</u>	<u>(364,940)</u>
Net cash outflow from financing	2	<u>(639,819)</u>	<u>(695,250)</u>
Increase in cash	2	<u>57,806</u>	<u>714,121</u>

**NOTES TO THE CASH FLOW STATEMENT FOR THE
YEAR ENDED 28 FEBRUARY 2001**
1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001	2000
	£	£
Operating profit	348,514	369,471
Depreciation charge	471,631	583,250
(Gain)/Loss on sale of tangible fixed assets	(4,951)	11,904
Amortisation of goodwill	123,454	123,454
Regional Selective Assistance grant release	(45,000)	(45,200)
(Increase)/Decrease in stock	(81,529)	26,819
Decrease in debtors	123,330	369,479
Increase in creditors	163,765	404,582
Expenditure set off against restructuring provision	-	(30,657)
Net cash inflow from operating activities	1,099,214	1,813,102

2. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001	2000
	£	£
Increase in cash in the period	57,806	714,121
Cash outflow from debt and hire purchase	639,819	695,250
Change in net debt	697,625	1,409,371
New finance leases and hire purchase	(138,935)	(55,114)
Movement in net debt	558,690	1,354,257
Opening net debt	(3,040,410)	(4,394,667)
Closing net debt	(2,481,720)	(3,040,410)

3. ANALYSIS OF CHANGES IN NET DEBT

	At beginning of period £	Cash Flows £	Non- cash flow changes £	2000 £
Cash in hand, bank	127	584	-	711
Overdraft	(1,031,783)	57,222	-	(974,561)
Debt due within 1 year	(357,215)	357,215	(356,906)	(356,906)
Debt due after 1 year	(1,230,884)	(17,596)	356,906	(891,574)
Hire purchases	(420,655)	300,200	(138,935)	(259,390)
Closing net debt	(3,040,410)	697,625	(138,935)	(2,481,720)

**NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 28 FEBRUARY 2001****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 have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiaries for the year ended 28 February 2001. No profit and loss account is presented for United Bakeries Limited as permitted by S230 of the Companies Act 1985.

Goodwill

Where the cost of acquisition of a business exceeds the values attributable to the identifiable net assets of that business, the difference is treated as purchased goodwill which is capitalised and is amortised against operating profits over 10 years, being the directors' estimate of its useful economic life.

Tangible fixed assets

Depreciation is provided on tangible fixed assets at rates calculated to write off their cost over their estimated useful lives as follows:

Heritable property	2% - 20% per annum reducing balance
Plant and equipment	10% - 33 1/3% per annum straight line
Motor vehicles	25% - 30% per annum reducing balance
Fixtures and fittings	20% per annum reducing balance

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes material, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion.

Grants

Grants in respect of capital expenditure are treated as deferred credits and are released to the profit and loss account over the expected useful lives of the relevant assets. Revenue grants are released to the profit and loss account in the period to which they relate.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

**NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 28 FEBRUARY 2001**

1. ACCOUNTING POLICIES (continued)

Going Concern

The directors have taken appropriate action to ensure continued support for the group from its financiers and shareholders and the financial statements have therefore been prepared in accordance with the accounting principles applicable to a going concern.

2. TURNOVER

Turnover arises wholly from the principal activities of the group from within the United Kingdom.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2001	2000
Directors' emoluments		
Remuneration and fees	187,247	157,879
Compensation for loss of office	-	25,000
Pension contributions	24,680	8,652
	<u>211,927</u>	<u>191,531</u>

Pension contributions are contributions made to personal pension schemes. Contributions were made on behalf of two directors in the year.

Average number of persons employed

Production and distribution	126	143
Administration	22	24
	<u>148</u>	<u>167</u>

Staff costs during the year (including directors)

Wages and salaries	2,125,331	2,280,952
Social security costs	179,562	185,120
Pension costs	26,824	16,284
Compensation for loss of office	-	25,000
	<u>2,331,717</u>	<u>2,507,356</u>

**NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 28 FEBRUARY 2001**
4. OTHER OPERATING INCOME

	2001	2000
	£	£
Regional Selective Assistance		
Grant release	45,000	45,200
Rents receivable	12,465	-
	<u>57,465</u>	<u>45,200</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£	£
Bank loans, overdrafts and other loans repayable within five years	223,007	139,310
Bank loans, overdrafts and other loans repayable after five years	-	109,069
Other interest	4,216	6,500
Finance leases and hire purchases contracts	32,808	54,079
	<u>260,031</u>	<u>308,958</u>

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001	2000
	£	£
Profit on ordinary activities before taxation is after charging/(crediting):-		
Depreciation		
-owned assets	389,714	443,252
-leased assets	81,917	139,998
Amortisation of intangible assets	123,454	123,454
Auditors' remuneration		
-audit fees	12,000	12,000
-other services	17,444	5,625
Hire of equipment under operating leases	2,475	1,191
(Gain)/Loss on disposal of fixed assets	<u>(4,951)</u>	<u>11,904</u>

**NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 28 FEBRUARY 2001**
7. TAX (CREDIT)/CHARGE ON PROFIT OF ORDINARY ACTIVITIES

	2001	2000
	£	£
Provision/(release) for taxation based on the profit for the year comprises:		
United Kingdom corporation tax (2000-30%)		
-current year	-	-
-prior year	-	(446)
Advance corporation tax - prior year	-	24,251
Deferred taxation	<u>(10,600)</u>	<u>(18,721)</u>
	<u>(10,600)</u>	<u>5,084</u>

No corporation tax is payable due to trading losses brought forward. Tax losses available to carry forward are £193,854.

8. INTANGIBLE ASSETS

	Goodwill
	£
Group	
Cost at 28 February 2001	<u>1,234,536</u>
Amortisation	
At 1 March 2000	483,334
Charge for the year	<u>123,454</u>
	<u>606,788</u>
Net book value	
At 28 February 2001	<u>627,748</u>
At 29 February 2000	<u>751,202</u>

**NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 28 FEBRUARY 2001**
9. TANGIBLE FIXED ASSETS

	Heritable Property	Plant and Equipment	Motor Vehicles	Fixtures & Fittings	Total
	£	£	£	£	£
Cost					
As at 1 March 2000	2,497,503	4,966,943	266,983	167,224	7,898,653
Additions	-	298,240	14,835	-	313,075
Disposals	(1,453)	(35,767)	(88,977)	(237)	(126,434)
As at 28 February 2001	<u>2,496,050</u>	<u>5,229,416</u>	<u>192,841</u>	<u>166,987</u>	<u>8,085,294</u>
Accumulated Depreciation					
As at 1 March 2000	337,774	3,023,416	182,887	85,846	3,629,923
Charge for year	43,596	393,065	20,410	14,560	471,631
Disposals	-	(11,530)	(62,852)	(170)	(74,552)
At 28 February 2001	<u>381,370</u>	<u>3,404,951</u>	<u>140,445</u>	<u>100,236</u>	<u>4,027,002</u>
Net book value					
At 28 February 2001	<u>2,114,680</u>	<u>1,824,465</u>	<u>52,396</u>	<u>66,751</u>	<u>4,058,292</u>
At 29 February 2000	<u>2,159,729</u>	<u>1,943,527</u>	<u>84,096</u>	<u>81,378</u>	<u>4,268,730</u>

The net book value of fixed assets includes £490,576 (2000 - £893,001) in respect of assets held under hire purchase and finance lease contracts. Depreciation charged in the year on those assets amounted to £81,917 (2000-£139,998).

**NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 28 FEBRUARY 2001**
10. INVESTMENTS

The investment in subsidiaries is made up as follows: -

	2001	2000
	£	£
Company		
Cost at 1 March 2000 and 28 February 2001	<u>2,447,627</u>	<u>2,447,627</u>

All of the investments are unlisted.

The following information relates to the subsidiaries, all of which are incorporated in

Name of Company	Proportion of Nominal Value of Issued Share Capital	Nature of Company	Net Assets at 28.02.01 £
Beattie Bakeries Limited	100%	Dormant	68,796
Dalrymple Bakery (1984) Limited	100%	Dormant	206,414
Pittabread (Scotland) Limited	100%	Dormant	-
Redbraes Bakery Limited	100%	Dormant	323,838
The Bakehouse (Airdrie) Limited	100%	Dormant	54,017
W & D Duncan Limited	100%	Dormant	35,000
United Central Bakeries Limited	100%	Production and sales of bakery products	671,728

United Central Bakeries Limited operates within the United Kingdom. The directors have reviewed the carrying value of the company's investments in United Central Bakeries Limited at 28 February 2001 and are satisfied that no provision for impairment is necessary.

11. STOCKS

	2001	2000
	£	£
Raw materials and consumables	204,161	216,412
Finished goods	<u>127,069</u>	<u>33,289</u>
	<u>331,230</u>	<u>249,701</u>

**NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 28 FEBRUARY 2001**
12. DEBTORS

	Company		Group	
	2001	2000	2001	2000
	£	£	£	£
Trade debtors	-	-	1,179,503	1,278,809
Other debtors	-	-	113,725	131,152
Prepayments and accrued income	-	-	25,720	27,317
Amounts due from subsidiary	6,489	6,489	-	-
	<u>6,489</u>	<u>6,489</u>	<u>1,318,948</u>	<u>1,437,278</u>

All debtors are receivable within one year.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Company		Group	
	2001	2000	2001	2000
	£	£	£	£
Bank overdraft	-	-	974,561	1,031,783
Invoice discounting creditor	-	-	775,773	765,785
Bank loans	-	-	328,906	323,615
Trade creditors	-	-	882,385	1,106,828
Loan from Chancelot Mill	-	-	28,000	33,600
Current corporation tax	-	-	5,000	-
ACT payable	-	-	-	24,251
Other taxes and social security	-	-	47,838	57,989
Other creditors and accruals	-	-	505,485	117,114
RSA Grant	-	-	45,000	45,200
Hire purchase and finance lease	-	-	155,692	274,877
	<u>-</u>	<u>-</u>	<u>3,748,640</u>	<u>3,781,042</u>

The group meets its day to day working capital requirements through an overdraft facility which is repayable on demand. The group expects to operate within the facility currently agreed and within that expected to be agreed in August 2001 when the group bankers are due to consider its renewal for a further year. These views are based on the group's plans and on the successful outcome of discussions with bankers.

The bank overdraft and invoice discounting creditor are secured by a standard security over the heritable property and a bond and floating charge over all the assets of the group.

Included within accruals is £Nil (2000 - £Nil) due to personal pension schemes of employees and directors.

NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 28 FEBRUARY 2001

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

	2001	2000
Group	£	£
Bank loans	891,574	1,202,884
Loan from Chancelot Mill	-	28,000
Hire purchase and finance lease creditors	103,698	145,778
	<u>995,272</u>	<u>1,376,662</u>

The bank loans are repayable in monthly instalments. The loans bear interest at base plus 1.75% and are secured by a standard security over the heritable property and a floating charge over all the assets of the group.

The loan from Chancelot Mill is repayable in monthly instalments, is interest free and is secured by the related asset.

	2001	2000
	£	£
Borrowings		
Bank overdraft and invoice discounting	1,750,334	1,797,568
Bank loans	1,220,479	1,526,499
Other loans	28,000	61,600
Obligations under hire purchase and finance lease contracts	259,390	420,655
	<u>3,258,203</u>	<u>3,806,322</u>

Analysis of loan repayments**Bank loans and overdraft**

Within one year, or on demand	2,079,240	2,121,183
Between one and two years	252,252	296,571
Between two and five years	639,321	871,427
After five years	-	34,886

Other loans

Within one year	28,000	33,600
Between one and two years	-	28,000
Between two and five years	-	-

Hire purchase and finance leases	<u>259,390</u>	<u>420,655</u>
	<u>3,258,203</u>	<u>3,806,322</u>

Obligations under hire purchase and finance lease contracts are secured by the related assets and are wholly repayable within five years.

NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 28 FEBRUARY 2001

15. PROVISION FOR LIABILITIES AND CHARGES

	2001	2000
	£	£
Deferred taxation	-	10,600

	2001	2000
	£	£
Deferred taxation		
Opening balance	10,600	29,321
Movement during period	75,991	(51,853)
ACT recoverable	(86,591)	33,132
Closing balance	-	10,600

	Provision		Potential	
	2001	2000	2001	2000
	£	£	£	£
Accelerated capital allowances	157,063	122,891	157,063	122,891
Trading losses carried forward	(50,294)	(92,113)	(50,294)	(92,113)
Potential capital gain on disposal of property	-	-	118,311	115,161
Surplus ACT recoverable	(106,769)	(20,178)	(164,530)	(77,561)
	-	10,600	60,550	68,378

16. CALLED UP SHARE CAPITAL

	2001 and 2000	
	£	
Authorised	No.	
Ordinary shares of £1 each	520,408	520,408
"A" ordinary shares of £1 each	500,000	500,000
Preference shares of £0.01 each	1,750,000	17,500
200,000 ordinary shares of £1 each	2,770,408	1,037,908
Called up, allotted and fully paid	No.	
Ordinary shares of £1 each	269,231	269,231
"A" ordinary shares of £1 each	500,000	500,000
Preference shares of £0.01 each	1,750,000	17,500
	2,519,231	786,731

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28 FEBRUARY 2001

16. CALLED UP SHARE CAPITAL (continued)

The main rights attaching to the various classes of shares are as follows:

Ordinary Shares

The ordinary shareholders are only entitled to dividends after all other dividend rights have been satisfied and all preference shares falling due for redemption have been redeemed. Any amounts payable to ordinary shareholders must not be greater than the aggregate of the fixed and participating dividends payable to "A" ordinary shareholders. If prior written consent of 75% of "A" ordinary shareholders is obtained, then the balance of profits can be distributed between the ordinary and "A" ordinary shareholders.

The acquisition agreement for purchase of United Central Bakeries Limited includes a deferred consideration clause which allows for further ordinary shares to be allotted and issued to D.S.Orr if certain pre-set profit levels are exceeded.

On liquidation, the shareholders are entitled to a return of capital of £1 per share and to share pari-passu with holders of "A" ordinary shares in the distribution of residual assets.

"A" Ordinary Shares

The holders of the "A" ordinary shares are entitled to a fixed cumulative preferential net cash dividend of £0.09 per annum per share from date of subscription. The dividends are payable half yearly, commencing 31 August 1996. The holders are also entitled to a cumulative preferential net cash dividend (participating dividend) of 12% of adjusted net profit, less the fixed dividend. The "A" ordinary shareholders are also entitled to a cumulative preferential net cash dividend (compensatory dividend) of an amount equal to the aggregate of any ordinary dividends paid to relevant directors and the excess remuneration paid to relevant directors as defined in the company's Articles of Association.

Holders of "A" ordinary shares may convert the shares into ordinary shares at any time by notice given in writing to the company signed by 75% of the "A" ordinary shareholders.

On liquidation, the shareholders are entitled to a return of capital of £1 per share plus any arrears of dividend, prior to the holders of ordinary shares and to share pari-passu with holders of ordinary shares in the distribution of residual assets.

Preference Shares

The holders of the preference shares are entitled to a fixed cumulative preferential net cash dividend of £0.09 per annum per share from date of subscription.

The shares are redeemable at £1 each as follows:

Redemption Date	Number Redeemable
28.2.2000	499,044
28.2.2001	499,044
28.2.2002	499,044
28.2.2003	252,868

The company may, with prior written approval of 75% of the preference shareholders (provided there are no arrears of "A" ordinary or preference share dividends), redeem all or (in instalments of not less than 25,000 shares) some of the preference shares in advance of the due date. All remaining shares shall be redeemed if the company is admitted to any recognised investment exchange or there is a successful offer to purchase at least 90% of the issued equity share capital of the company, unless the holders of not less than 75% give notice in writing to the company to the contrary.

Voting

All shareholders have one vote for every £1 of nominal amount of shares held, except the holders of preference shares.

Arrears of Dividends

At 28 February 2001 dividends due but unprovided comprised Preference Dividends of £551,250 and "A" ordinary dividends of £180,000.

NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 28 FEBRUARY 2001

17. STATEMENT OF MOVEMENT ON RESERVES

	Group and Company Share Premium Account £	Group Profit and Loss Account £	Company Profit and Loss Account £
Balance at 1 March 2000	1,667,512	(1,247,234)	-
Retained loss for the financial year	-	(148,417)	-
Addback appropriations in respect of non-equity shares	-	247,500	-
Balance at 28 February 2001	<u>1,667,512</u>	<u>(1,148,151)</u>	<u>-</u>

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Company		Group	
	2001	2000	2001	2000
	£	£	£	£
Profit for the financial year	-	-	99,083	55,429
Net addition in shareholders' funds	<u>-</u>	<u>-</u>	<u>99,083</u>	<u>55,429</u>
Opening shareholders' funds	2,454,243	2,454,243	1,207,009	1,151,580
Closing shareholders' funds	<u>2,454,243</u>	<u>2,454,243</u>	<u>1,306,092</u>	<u>1,207,009</u>

19. RESULTS OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit for the financial year amounted to £Nil.

20. CAPITAL COMMITMENTS

	2001	2000
	£	£
Contracted for but not provided	<u>35,000</u>	<u>170,000</u>

21. OPERATING LEASE COMMITMENTS

At 28 February 2001, the company had annual commitments in respect of non cancellable operating leases as follows: -

	2001
	£
Expiring within 1 year	-
Expiring in 2 to 5 years inclusive	30,404
	<u>30,404</u>

**NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 28 FEBRUARY 2001**

22. ULTIMATE CONTROLLING PARTIES

The ultimate controlling parties during the year ended 28 February 2001 were 3i Group plc and Royal Bank of Scotland Investment Limited, a wholly owned subsidiary of Royal Bank of Scotland Group plc. From 27 April 2001 the company was under the control of D.S.Orr.

23. POST BALANCE SHEET EVENT

On 27 April 2001 the whole of the issued share capital of the company was acquired by United Bakeries Limited (formerly Dunwilco (836) Limited, a company controlled by D.S.Orr.

24. RELATED PARTY TRANSACTIONS

During the year, the company purchased and sold bakery products from/to Aberdeen Buttery Company Limited, a company owned and controlled by D.S.Orr. The amounts involved were as follows: -

	2001	2000
	£	£
Purchases	799,505	935,967
Sales	155,676	117,913

At 28 February 2001, £39,826 was included in trade creditors and £13,265 was included in trade debtors in respect of trading with Aberdeen Buttery Company Limited.