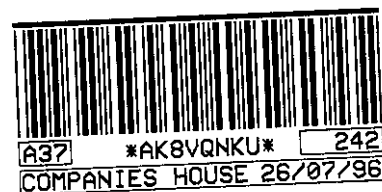


WT FOODS PLC

94632

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## CHAIRMAN'S STATEMENT

In the year ended 31 March 1996, your Group produced a profit before tax of £504,000 compared with the previous year's profit before tax of £1,588m. This result is arrived at after charging an exceptional item of £402,000 relating to the failure of Ken Moore Limited which was notified to shareholders in the Interim Statement, and other provisions of £120,000 relating to action taken principally with regard to two subsidiaries, namely Enco Products Limited and Red Rose Velvets Limited, the latter being the only remaining textile interest within the Group.

The Board, as indicated in my letter to shareholders of 14 May 1996, in which I outlined the proposed new Board appointments and the raising of £3m, is recommending a final dividend of 0.85p net per share as compared with 2p net, paid for the previous year. The Board confirms that in future years the intention is to institute a progressive dividend policy subject to the attainment and maintenance of a satisfactory level of dividend cover.

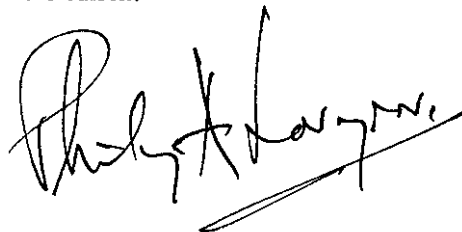
The Board regards the results that are being reported as disappointing, quite apart from the decisions to make substantial provisions. The major reasons for the reduction in operating profits of the Group relate to a loss in excess of £70,000 at Red Rose Velvets and more importantly, a significant under performance at Enco Products Limited whereby, despite a maintained level of sales, profits were severely depressed. The Managing Director of Enco Products left the Group during the year.

The Group's two other food subsidiaries performed well against the market background. Bart Spices in particular achieved good results, experiencing a strong performance in the second half of the year helped by the introduction of new products. La Mexicana also produced satisfactory profits, albeit below the record achievement of the previous year.

Following the completion of the successful £3m capital raising proposals put to shareholders and confirmed on 7 June 1996, the Group has appointed to the Board Mr. Keith Stott as Chief Executive, Mr. Rod Garland as Finance Director and Mr. John Brennan as Marketing Director. Mr. Reg Bartlam has retired as Chief Executive, though I am delighted that he remains on the Board as a non-executive Director. Mr. Babubhai Kapadia resigned last month as a non-executive Director and I would like to thank him for his years of service to the Group.

Whilst it is too early in the current financial year to make any predictions, it is pleasing to note that both Bart Spices and La Mexicana exceeded their budgets in the months of April and May. Enco Products is now under the direct management of the newly appointed main Board Directors and whilst sales levels are being maintained, there is still a good deal of work to be undertaken to improve profits. Red Rose Velvets has broken even for the first two months. The Board is confident that the various actions taken will have a positive affect on performance in the current financial year.

PHILIP LOVEGROVE  
CHAIRMAN  
11 JUNE 1996

A handwritten signature in dark ink, appearing to read 'Philip Lovegrove', with a long horizontal stroke underneath.

# CHIEF EXECUTIVE'S REVIEW

The Chairman's Statement makes clear the problems WT Foods experienced during the year. Despite a background of difficult trading conditions in the UK food manufacturing industry generally, with considerable pressure on margins in our markets, both Bart Spices and La Mexicana produced good results. The problems encountered were entirely due to poor management at Enco Products. Both sales and gross profit increased in that company during the year but net profit forecasts were not achieved. The strength of WT Food's Brands will hold the Group in good stead for the growth of the business.

## **BART SPICES**

Sales increased by some 7% and profits were similar to last year. A really outstanding year for this Company which fought off stiff competition, to come through with profits which increased as the year went on. New products in new category areas have been launched during the year and have proved to be very successful. The Brand name continues to be extremely valuable for the introduction of innovative new products. The Veeraswamy's Brand, now integrated into Bart Spices, has experienced pressure but I am convinced that as new initiatives are being taken, this Brand will see recovery this year.

## **LA MEXICANA QUALITY FOODS**

Sales rose by 4% although profits declined from the previous year's record level due to increased marketing expenditure. The Company has seen competition in both the authentic food and tortilla chip sectors and has responded well. The Company's broad spread of customers covering multiples, caterers, restaurants and exports has enabled the business to withstand a decline in the snack food sector. The growth in the multiples market has been particularly encouraging. There is enormous growth potential in this Company and La Mexicana is ideally positioned to exploit this.

#### **ENCO PRODUCTS**

I have touched on their problems in my opening statement. It is important to emphasise that in Enco we own leading Brands such as 'Nurishment', 'Encona', 'Dunn's River'.

The Company is still a leader in the Caribbean produce sector and is strong enough to maximise the potential that exists. Sales during the year rose by 4% but net profits were allowed to slip, due to lack of cost control. The level of sales indicate that the company's Brands strength is still very good. Management changes have now been made and I believe that a recovery in this Company's performance will be achieved in the current financial year.

I am now standing aside as Chief Executive and handing over to Keith Stott. He inherits some management problems at Enco Products which I am sure he, together with the new Board, will resolve before another year is past. I repeat what I said last year. Our Group has a unique product range and we own strong Brands. It is still our intention to strengthen these Brands and develop new ones. I believe this year will see our Group in good shape with a vastly improved performance.

**REG BARTLAM**

DIRECTOR

11 JUNE 1996

# DIRECTORS, OFFICERS AND ADVISORS

## DIRECTORS

P A Lovegrove

K J Stott

R J Bartlam

S Bard

J E Brennan

R J Garland

E C V Shaw

**Philip Lovegrove**, aged 58, was appointed the non-executive Chairman of West Trust in April 1988. He is the Chairman of Associated British Engineering plc and Video Tape Recording plc and his other directorships include Ashtead Group plc, English & Caledonian Investments plc and Rexmore plc.

**Keith Stott**, aged 37, became Chief Executive in June 1996, having previously been a director of B.E. International Foods Limited.

**Reg Bartlam**, aged 66, became a director in 1992 with the acquisition of Bart Spices Limited. He was appointed Chief Executive in January 1995 and became a non-executive director in June 1996.

**Stanley Bard**, aged 69, became a non-executive director in February 1993.

**John Brennan**, aged 51 became Marketing Director in June 1996, having previously held positions with RHM Foods Limited and B.E. International Foods Limited.

**Rod Garland**, aged 43, was appointed Finance Director in June 1996, after 19 years with B.E. International Foods Limited.

**Edward Shaw**, aged 47, joined Bart Spices Limited in 1973 and was appointed Managing Director of that company in January 1995.

## SECRETARY AND REGISTERED OFFICE

A R Martin FCA

2 Apex Point, Travellers Lane

Welham Green, Hatfield

Hertfordshire AL9 7HF

Tel 01707 261770

Fax 01707 260193

Registered Number 94632

## BANKERS

National Westminster Bank PLC

16 South Parade

Nottingham

NG1 2JX

## AUDITORS

BDO Stoy Hayward

7-9 Irwell Terrace, Bacup

Lancashire OL13 9AJ

## STOCKBROKERS

Bell Lawrie White & Co

7 Drumsheugh Gardens

Edinburgh EH3 7QH

## REGISTRARS

Connaught St Michaels Limited

CSM House, Victoria Street Luton

Bedfordshire LU1 2PZ

## SOLICITORS

Edge & Ellison

18-19 Southampton Place

London WC1A 2AJ

## FINANCIAL PR

Haggie Financial Limited

Roman House, Wood Street

London EC2Y 5BA

Tel 0171 417 8989

Fax 0171 417 8247

# REPORT OF THE DIRECTORS

Year ended 31 March 1996

The directors present their report, together with the audited accounts of the group for the year ended 31 March 1996.

## PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal companies in the group and their activities are detailed on page 30. A review of the year and comments on future developments are contained in the Chairman's Statement and Chief Executive's Review on pages 2 to 5.

## RESULTS AND DIVIDENDS

The results for the year are set out in the group profit and loss account on page 12.

An interim dividend of 0.5p per share was paid on 1 April 1996 (1995: 0.5p).

The directors recommend a final dividend of 0.85p per share (1995: 2.0p). Subject to approval by the members at the Annual General Meeting, the dividend will be paid on 30 August 1996, to shareholders on the register at 30 July 1996.

## CHANGE OF NAME

On 19 July 1995, the Company changed its name from West Trust plc.

## FIXED ASSETS

The movements in fixed assets during the year are shown in notes 13 and 15 to the accounts.

The directors are of the opinion that the current value of the group's land and buildings is not significantly different from their net book value.

## POST BALANCE SHEET EVENT

At an Extraordinary General Meeting held on 7 June 1996:

- The authorised share capital of the company was increased by £3,899,900 by the creation of 15,599,600 ordinary shares of 25p each; and
- The directors were unconditionally authorised pursuant to section 80, Companies Act 1985 to allot relevant securities up to an aggregate nominal amount of £7,424,375, such authority to expire on 6 June 2001.

On 10 June 1996, 11,294,425 ordinary shares were allotted at 27p per share under a Placing and Open Offer, which raised a net amount (after expenses) of approximately £2,700,000.

## DIRECTORS AND THEIR INTERESTS

Mr S M Larkinson was appointed as a director on 19 July 1995 and resigned on 1 March 1996.

The beneficial shareholdings, including family interests, of the directors who held office at 31 March 1996 were as follows:

	31 March 1996		31 March 1995	
	Shares	Options	Shares	Options
P A Lovegrove	355,000	-	355,000	-
R J Bartlam	1,403,585	105,251	1,345,969	101,256
S Bard	1,420,053	-	1,245,053	-
E C V Shaw	400,000	50,000	400,000	31,026
B H Kapadia	369,092	-	469,092	-

Mr Bard's shareholding includes 38,750 shares held non-beneficially.

Mr B H Kapadia resigned as a director on 13 May 1996.

On 7 June 1996 Messrs K J Stott, R J Garland and J E Brennan were appointed as directors.

Following the Placing and Open Offer, the directors were allotted ordinary shares on 10 June 1996 as follows:

	Number of Shares
P A Lovegrove	94,667
R J Bartlam	113,600
S Bard	296,296
E C V Shaw	23,260
K J Stott	56,579
R J Garland	56,579
J E Brennan	56,579

# REPORT OF THE DIRECTORS

Year ended 31 March 1996

## DIRECTORS AND THEIR INTERESTS CONTINUED

No contracts of significance subsisted during the year in relation to the group's business in which a director was materially interested.

Messrs Stott, Garland and Brennan, having been appointed since the last Annual General Meeting offer themselves for election. All these directors have service contracts which expire on 7 June 1997.

In accordance with the company's Articles of Association Mr S Bard is retiring by rotation, and will seek re-election at the forthcoming Annual General Meeting. Mr S Bard does not have a service contract with the company.

## SUBSTANTIAL SHAREHOLDINGS

The company has been notified of the following holdings which at 11 June 1996 represented 3% or more of the company's issued share capital following the Placing and Open Offer:

	Number of ordinary shares	% of issued share capital
Mercury Asset Management (GUD Pension Trust)	4,628,424	8.63
Morgan Grenfell UK Small Co. Exempt Fund	4,100,483	7.64
Friends Provident Unit Trust	2,393,333	4.46
London & Manchester Trust Management Limited	2,316,510	4.32
Williams Holdings Pension Fund	1,827,936	3.41

## ARTICLES OF ASSOCIATION

In the notice of the Annual General Meeting, as special business, it is proposed to adopt new articles of association.

## CREST

Crest is the new computerised system for settling sales and purchases of shares, which will replace Talisman from July 1996. Everyone will be able to hold shares in electronic form as a computer record, rather than on paper. However use of Crest is voluntary. You will not be forced to use Crest and can continue to hold your shares in the form of certificates. In order for the company to make the shares eligible for entry to Crest a Board resolution was passed on 11 June 1996 and details of this are set out on page 31.

## SUPPLIER PAYMENT POLICY

The policy of WT Foods plc to be applied during the year commencing 1 April 1996 in respect of its payment to suppliers is to agree the terms of payment with suppliers in advance, to ensure that suppliers are made aware of those terms and to abide by such terms.

## POLITICAL CONTRIBUTIONS AND CHARITABLE DONATIONS

There have been no political contributions during the year and charitable donations did not exceed £200.

## TAXATION STATUS

In the opinion of the directors, the company is not a close company within the meaning of Section 414, Income and Corporation Taxes Act 1988.

## AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that BDO Stoy Hayward be re-appointed as auditors of the company will be put to the Annual General Meeting.

APPROVED BY THE BOARD ON 11 JUNE 1996

ALAN MARTIN FCA

SECRETARY



# CORPORATE GOVERNANCE

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group, and of the profit or loss of the group for the period. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the 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 company and the group and to enable them to ensure that the accounts 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

## THE CADBURY CODE

The company has complied throughout the accounting period with those paragraphs of the Cadbury Code of Best Practice ('the Code') which came into effect on 1 July 1993.

Our auditors, BDO Stoy Hayward have reviewed the above statement about compliance with the Code solely insofar as this relates to the following matters:

- the need for a formal schedule of the matters reserved for the Board;
- procedures for the directors to obtain independent advice;
- the establishment of a remuneration committee and the service contracts and disclosure of remuneration of executive directors;
- the establishment of an audit committee;
- the acknowledgement of directors' and auditors' responsibilities; and the directors' judgement that the company is a going concern.

## COMPLIANCE WITH CORPORATE GOVERNANCE

### Going Concern

Having considered the guidance given in the document 'Going Concern and Financial Reporting: guidance for directors of listed companies' issued in November 1994 by the Going Concern Working Group of the Auditing Practices Board, the directors have formed a judgement at the time of approving these financial statements that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and therefore continue to adopt the going concern basis in preparing the financial statements.

# CORPORATE GOVERNANCE

## COMPLIANCE WITH CORPORATE GOVERNANCE CONTINUED

### Internal Financial Control

The Board of directors has overall responsibility for the group's systems of internal financial control, which are designed to provide reasonable, but not absolute, assurance against material mis-statement or loss. They include:

- detailed budgets and plans which are approved by subsidiary and group boards;
- regular consideration by the Board of actual results compared with budgets and forecasts;
- compliance by subsidiaries with group operating procedures and policies;
- annual review of the group's insurance cover;
- defined procedures for the appraisal and authorisation of capital expenditure; and
- regular reporting of borrowing and facilities to the Board.

The Board reviews the effectiveness of the group's systems of internal financial control.

### Remuneration Policy

The principal function of the Remuneration Committee is to determine the policy on executive remuneration, most particularly that of executive directors. The Committee consists wholly of the non-executive directors and is currently chaired by Mr Philip Lovegrove.

The main aim of the Committee's policy is to attract, retain and motivate high calibre individuals with a competitive remuneration package, bearing in mind the best practice provisions annexed to the Stock Exchange Listing Rules.

Remuneration for executives comprises basic salary, pension benefits, other benefits in kind and a share option scheme. Details of directors' remuneration and share options are given in notes 7 and 8 to the financial statements respectively on pages 19 and 20. At present there are no other long term executive incentive schemes.

The executive directors each have service agreements with the company, which can be terminated by the company giving one year's notice. The non-executive directors do not have service agreements.

### Auditors' Statement Regarding Corporate Governance

The auditors have confirmed that, in their opinion; with respect to the directors' statements above on going concern and internal financial control the directors have provided the disclosures required by paragraphs 4.5 and 4.6 of the Code (as supplemented by the related guidance for directors) and such statements are not inconsistent with the information of which they are aware from their audit work on the financial statements; and that the directors' other statement on page 9 appropriately reflects the company's compliance with the other paragraphs of the Code specified for their review. They were not required to perform the additional work necessary to, and did not express any opinion on, the effectiveness of either the company's system of internal financial control or its corporate governance procedures nor on the ability of the company to continue in operational existence.

# AUDITORS' REPORT

to the members of WT Foods plc

We have audited the financial statements on pages 12 to 30 which have been prepared on the basis of the accounting policies set out on pages 16 and 17.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 9 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 of the group as at 31 March 1996 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

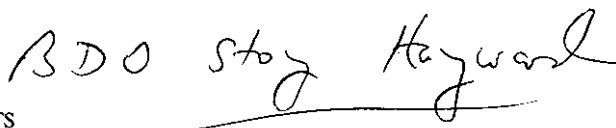
**BDO STOY HAYWARD**

BACUP

CHARTERED ACCOUNTANTS

REGISTERED AUDITORS

11 JUNE 1996

A handwritten signature in dark ink that reads "BDO Stoy Hayward". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

# GROUP PROFIT AND LOSS ACCOUNT

Year ended 31 March 1996

	Notes	1996 £'000	1995 £'000
<b>Turnover</b>	2	<b>22,983</b>	<b>21,954</b>
Cost of sales		(17,273)	(16,502)
<b>Gross profit</b>		<b>5,710</b>	<b>5,452</b>
Distribution costs and administrative expenses	3	(4,586)	(3,808)
<b>Operating profit</b>	2	<b>1,124</b>	<b>1,644</b>
Exceptional item	4	(402)	-
Profit on sale of investment		-	23
Interest receivable and similar income	5	19	131
Interest payable and similar charges	5	(237)	(210)
<b>Profit on ordinary activities before taxation</b>	6	<b>504</b>	<b>1,588</b>
Taxation on profit on ordinary activities	10	(300)	(431)
<b>Profit for the financial year attributable to shareholders</b>		<b>204</b>	<b>1,157</b>
Dividends	11	(572)	(1,058)
<b>(Deficit)/retained profit for the year</b>	27	<b>(368)</b>	<b>99</b>
<b>Earnings per share</b>	12		
- Basic		<b>0.48p</b>	<b>2.73p</b>
- Before exceptional items		<b>1.43p</b>	<b>2.73p</b>

None of the group's activities was acquired or discontinued during the financial year.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 March 1996

	1996 £'000	1995 £'000
<b>Profit for the financial year and total recognised gains</b>	<b>204</b>	<b>1,157</b>

There is no material difference between the results reported above and those on a historical basis.

# GROUP BALANCE SHEET

31 March 1996

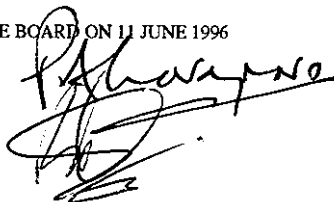
	Notes	1996 £'000	1996 £'000	1995 £'000	1995 £'000
<b>Fixed Assets</b>					
Tangible assets	13		2,392		2,348
<b>Current Assets</b>					
Stocks	16	1,718		1,693	
Debtors	17	4,818		5,760	
Cash at bank and in hand		285		1,107	
		6,821		8,560	
<b>Creditors (amounts falling due within one year)</b>	18	(4,558)		(5,620)	
<b>Net Current Assets</b>			2,263		2,940
<b>Total Assets Less Current Liabilities</b>			4,655		5,288
<b>Creditors (amounts falling due after more than one year)</b>	19		(1,766)		(2,037)
<b>Net Assets</b>			2,889		3,251
<b>Capital and Reserves</b>					
Called up share capital	23		10,589		10,585
Share premium account	24		1,232		1,230
Revaluation reserve	25		59		60
Other reserves	26		(8,315)		(8,315)
Profit and loss account	27		(676)		(309)
<b>Equity Shareholders' Funds</b>	28		2,889		3,251

APPROVED BY THE BOARD ON 11 JUNE 1996

P A LOVEGROVE

R J BARTLAM

DIRECTORS



# PARENT COMPANY BALANCE SHEET

31 March 1996

	Notes	1996 £'000	1996 £'000	1995 £'000	1995 £'000
<b>Fixed Assets</b>					
Tangible assets	13		21		8
Investments	15		12,595		12,586
			12,616		12,594
<b>Current Assets</b>					
Debtors	17	3,773		4,178	
Cash at bank and in hand		22		27	
		3,795		4,205	
Creditors (amounts falling due within one year)	18	(1,084)		(1,697)	
<b>Net Current Assets</b>			2,711		2,508
<b>Total Assets Less Current Liabilities</b>			15,327		15,102
Creditors (amounts falling due after more than one year)	19		(2,166)		(2,396)
<b>Net Assets</b>			13,161		12,706
<b>Capital and Reserves</b>					
Called up share capital	23		10,589		10,585
Share premium account	24		1,232		1,230
Revaluation reserve	25		761		761
Profit and loss account	27		579		130
<b>Equity Shareholders' Funds</b>			13,161		12,706

APPROVED BY THE BOARD ON 11 JUNE 1996

P A LOVEGROVE

R J BARTLAM

DIRECTORS

# GROUP CASH FLOW STATEMENT

Year ended 31 March 1996

	Notes	1996 £'000	1996 £'000	1995 £'000	1995 £'000
<b>Net Cash Inflow from Operating Activities</b>	<b>30</b>		<b>986</b>		<b>2,502</b>
<b>Returns on Investments and Servicing of Finance</b>					
Interest received		<b>29</b>		<b>30</b>	
Interest paid		<b>(226)</b>		<b>(197)</b>	
Hire purchase and finance lease interest		<b>(14)</b>		<b>(10)</b>	
Dividends paid		<b>(1,058)</b>		<b>(1,059)</b>	
<b>Net Cash Outflow from Returns on Investments and Servicing of Finance</b>			<b>(1269)</b>		<b>(1,236)</b>
<b>Corporation tax paid</b>			<b>(426)</b>		<b>(589)</b>
<b>Investing Activities</b>					
Purchase of tangible fixed assets		<b>(374)</b>		<b>(457)</b>	
Purchase of subsidiaries		<b>-</b>		<b>41</b>	
Proceeds on disposal of tangible fixed assets		<b>11</b>		<b>55</b>	
Deferred consideration received		<b>360</b>		<b>360</b>	
Repayment of loan by former subsidiary		<b>189</b>		<b>120</b>	
Sale of investment		<b>-</b>		<b>56</b>	
<b>Net Cash Inflow from Investing Activities</b>			<b>186</b>		<b>175</b>
<b>Net Cash (Outflow)/Inflow before Financing</b>			<b>(523)</b>		<b>852</b>
<b>Financing Activities</b>					
Issue of ordinary share capital		<b>6</b>		<b>-</b>	
Capital element of finance lease rentals		<b>(80)</b>		<b>(93)</b>	
Long term loans repaid		<b>(225)</b>		<b>(230)</b>	
<b>Net Cash Outflow from Financing</b>	<b>32</b>		<b>(299)</b>		<b>(323)</b>
<b>(Decrease)/Increase</b>					
<b>In Cash and Cash Equivalents</b>	<b>31</b>		<b>(822)</b>		<b>529</b>

# NOTES TO THE ACCOUNTS

Year ended 31 March 1996

## 1 STATEMENT OF ACCOUNTING POLICIES

### (a) Accounting Convention

The accounts have been prepared using the historical cost convention of accounting, modified by the revaluation of certain fixed assets.

### (b) Basis of Consolidation

Group accounts have been prepared in the form of consolidated accounts incorporating those of the parent company and all of its subsidiary undertakings. Results of subsidiary undertakings acquired are included from the date of acquisition. Results of subsidiary undertakings disposed of are included up to the date of disposal. The separable net assets of subsidiary undertakings acquired are included in the group accounts at their fair value to the group as at the date of acquisition. Goodwill arising on consolidation, representing the excess of the cost of the investments in subsidiary undertakings over the fair value of net assets acquired, is charged to reserves. As permitted by Section 230 of the Companies Act 1985, a separate profit and loss account for the parent company is not presented.

### (c) Fixed Asset Investments

Investments in subsidiary undertakings are stated at cost or directors' valuation.

The cost of the subsidiary undertakings comprises the aggregate of cash consideration, costs, and the nominal value of shares issued. Costs include attributable overheads of the company incidental to the acquisitions.

### (d) Fixed Assets

In the group balance sheet tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation, less the estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Freehold land	Nil.
Freehold buildings	2% per annum, straight line.
Leasehold premises	Over the term of the lease.
Plant and machinery	10% - 20% per annum, straight line.
Motor vehicles	20% - 25% per annum, straight line.

### (e) Stocks

Stocks have been valued at the lower of cost and net realisable value. Cost includes the cost of materials, together with appropriate costs of production, being direct labour and production overheads.

### (f) Deferred Taxation

Provision for deferred taxation arising from timing differences between the treatment of certain items for taxation and accounting purposes, and the revaluation of certain fixed assets, is only made where there is reasonable evidence that such deferred taxation will be payable in the foreseeable future.

## 1 STATEMENT OF ACCOUNTING POLICIES CONTINUED

### (g) Leased Assets

Motor vehicles and plant subject to finance leases are shown as fixed assets and depreciated as indicated above. The corresponding liability for the capital element is recorded as a loan and the interest element, which is calculated on the basis of the amount of loan outstanding, is charged against income over the primary lease period.

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

### (h) Foreign Currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

### (i) Pension Costs

The group operates defined contribution pension schemes for employees of group undertakings and all pension costs have been charged to the profit and loss account as incurred.

### (j) Compliance with Accounting Standards

The accounts have been prepared in accordance with applicable accounting standards.

## 2 TURNOVER AND SEGMENTAL ANALYSIS

Turnover, which is all derived from the United Kingdom, represents the amount receivable, excluding value added tax, from the group's food manufacturing and distribution and textile manufacturing activities.

A geographical analysis of turnover is as follows:

	1996 £'000	1995 £'000
United Kingdom	21,548	20,663
Europe	1,160	1,097
Rest of the world	275	194
	22,983	21,954

An analysis of turnover by business activity is as follows:

	1996 £'000	1995 £'000
Food manufacturing and distribution	22,018	21,099
Textiles	965	855
	22,983	21,954

# NOTES TO THE ACCOUNTS

Year ended 31 March 1996

## 2 TURNOVER AND SEGMENTAL ANALYSIS CONTINUED

The operating profits/(losses) relating to these activities are as follows:

	1996 £'000	1995 £'000
Food manufacturing and distribution	1,511	1,998
Textiles	(71)	(17)
	1,440	1,981
Central costs	(316)	(337)
	1,124	1,644

The net assets attributable to each activity excluding intra-group balances are as follows:

	1996 £'000	1995 £'000
Parent company	(1,742)	(1,799)
Food manufacturing and distribution	4,180	4,504
Textiles	451	546
	2,889	3,251

## 3 DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

	1996 £'000	1995 £'000
Distribution costs	1,752	1,409
Administrative expenses	2,834	2,399
	4,586	3,808

## 4 EXCEPTIONAL ITEM

This comprises a provision against the loan made to a former subsidiary undertaking, Ken Moore Limited. That company was placed in receivership in November 1995.

## 5 NET INTEREST

Interest Receivable and Similar Income	1996 £'000	1995 £'000
Bank interest and other interest	19	30
Discount release - Indo African Exports Limited	-	101
	19	131

## Interest Payable and Similar Charges

Interest payable on bank loans and overdrafts:		
- repayable within five years	34	14
- not wholly repayable within five years	187	186
Hire purchase and finance lease interest	16	10
	237	210

## 6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1996 £'000	1995 £'000
is stated after charging:		
Depreciation of owned assets	304	267
Depreciation of leased assets	64	41
Operating lease rentals		
- land and buildings	210	213
- other	24	42
Auditors' remuneration	44	44
Termination payments to directors and staff	69	214

Amounts paid to the auditors by the group in respect of non-audit services were £6,000 (1995: £18,000).

## 7 DIRECTORS' EMOLUMENTS

	Salaries/cs fees £000	Benefits £000	Total emoluments £000	Pension contributions £000	1996 Total emoluments and pension contributions £000	1995 Total emoluments £000	1995 Total emoluments and pension contributions £000
<b>Executive directors</b>							
R J Bartlam	50	1	51	5	56	47	51
E C V Shaw	50	8	58	5	63	8	9
S M Larkinson	28	5	33	3	36	-	-
Former directors	-	-	-	-	-	62	68
<b>Non executive directors</b>							
P A Lovegrove	20	-	20	-	20	15	15
S Bard	15	-	15	-	15	10	10
B H Kapadia	10	-	10	-	10	10	10
	173	14	187	13	200	152	163
Compensation for loss of office - S M Larkinson					50		-
- Former directors					-		100
					250		263
						1996 £000	1995 £000
Executive directors' remuneration wholly for management services						142	117
Non-executive directors' emoluments						45	35
Pension contributions						13	11
Compensation for loss of office						50	100
						250	263

None of the directors' emoluments arose from performance related bonuses.

Directors' remuneration shown above (excluding pension contributions) included amounts paid to:

	1996 £'000	1995 £'000
The Chairman	20	15
Highest paid director	58	47

The number of the directors receiving remuneration in the following ranges were:

	1996 £'000	1995 £'000
£5,001 - £10,000	1	3
£10,001 - £15,000	1	-
£15,001 - £20,000	-	1
£30,001 - £35,000	1	-
£40,001 - £45,000	-	1
£50,001 - £55,000	1	-

# NOTES TO THE ACCOUNTS

Year ended 31 March 1996

## 8 EXECUTIVE DIRECTORS' SHARE OPTIONS

Details of the movements on share options available to the executive directors under the company's executive share option scheme are set out below:

	At 1 April 1995 or date of appointment	Number of Options		At 31 March 1996	Exercise Price	Market Price at date of exercise	Date from which exercisable	Expiry date
		Granted	Exercised					
R J Bartlam	70,270	-	(16,216)	54,054	37.0p	43p	1 May 1995	30 Apr 2002
	5,251	-	-	5,251	38.1p	-	1 Aug 1996	31 Jul 2003
	25,735	-	-	25,735	43.3p	-	1 Mar 1997	29 Feb 2004
	-	20,211	-	20,211	38.5p	-	1 Jul 1998	30 Jun 2005
	101,256	20,211	(16,216)	105,251				
E C V Shaw	16,216	-	-	16,216	37.0p	-	1 May 1995	30 Apr 2002
	5,251	-	-	5,251	38.1p	-	1 Aug 1996	31 Jul 2003
	9,559	-	-	9,559	35.3p	-	1 Jan 1998	31 Dec 2004
	-	18,974	-	18,974	38.5p	-	1 Jul 1998	30 Jun 2005
	31,026	18,974	-	50,000				
S M Larkinson	30,000	-	-	30,000	35.3p	-	1 Jan 1998	31 Dec 2004
	-	20,000	-	20,000	38.5p	-	1 Jul 1998	30 Jun 2005
	30,000	20,000	-	50,000				

The quoted price of the company's shares at 31 March 1996 was 29.5p.

## 9 EMPLOYEES

### (a) Staff costs

	1996 £'000	1995 £'000
Wages and salaries	2,373	2,164
Social security costs	211	198
Other pension costs	93	93
	<b>2,677</b>	<b>2,455</b>

### (b) The average number of persons employed by the group was:

	1996 Number	1995 Number
Production	88	81
Selling and administration	73	72
	<b>161</b>	<b>153</b>

## 10 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1996 £'000	1995 £'000
<b>UK current taxation</b>		
Corporation tax charge at 33%	310	452
Provision for irrecoverable ACT - (release)	-	(20)
Adjustment for previous years	(10)	(1)
	<b>300</b>	<b>431</b>

The tax charge on the profit for the year has increased due to the provision against the amount due from Ken Moore Limited not being allowable for corporation tax purposes.

Had full provision been made for deferred tax, the tax charge for the year would have increased by £13,000 (1995: £25,000). Deferred tax has not been provided on property revaluations in prior years (note 20).

## 11 DIVIDENDS

	1996 £'000	1995 £'000
Interim declared - 0.5p per share (1995: 0.5p)	212	211
Final proposed - 0.85p per share (1995: 2.0p)	360	847
	572	1,058

In addition to the proposed final dividend, there will be an amount of £96,000 payable to the holders of the shares issued pursuant to the Placing and Open Offer.

## 12 EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares in issue used in calculating the earnings per ordinary share were as follows:

	1996 £'000	1995 £'000
Earnings - Basic	204	1,157
- Before exceptional items	606	1,157
	1996 Number	1995 Number
Weighted average number of shares in issue	42,349,432	42,337,880

In the opinion of the directors, the presentation of the earnings per share before the exceptional item provides a better understanding of the underlying trading performance of the group.

Fully diluted earnings per share are not materially different from the basic earnings per share stated above.

## 13 TANGIBLE FIXED ASSETS - GROUP

	Freehold £'000	Land and buildings Long leasehold £'000	Short leasehold £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
<b>Cost or Valuation</b>						
At 1 April 1995						
- Cost	-	489	263	2,109	465	3,326
- 1990 Valuation	150	-	-	-	-	150
Additions	-	-	62	229	127	418
Disposals	-	-	-	(17)	(25)	(42)
At 31 March 1996	150	489	325	2,321	567	3,852
<b>Depreciation</b>						
At 1 April 1995	15	29	38	934	112	1,128
Charge for the year	3	10	12	228	115	368
Adjustments for disposal	-	-	-	(14)	(22)	(36)
At 31 March 1996	18	39	50	1,148	205	1,460
<b>Net Book Value</b>						
At 31 March 1996	132	450	275	1,173	362	2,392
At 31 March 1995	135	460	225	1,175	353	2,348

# NOTES TO THE ACCOUNTS

Year ended 31 March 1996

## 13 TANGIBLE FIXED ASSETS - GROUP CONTINUED

The historical cost of the freehold property at 31 March 1996 is:

	Total £'000
Cost	86
Depreciation	14
Net Book Value	72
Depreciation charge for the year	2

At 31 March 1996 fixed assets with a net book value of £206,000 (1995: £240,000) were held under finance leases and hire purchase agreements.

### Parent Company

	Plant and Machinery £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>			
At 1 April 1995	8	-	8
Additions	2	21	23
Disposals	(3)	-	(3)
At 31 March 1996	7	21	28
<b>Depreciation</b>			
At 1 April 1995	-	-	-
Charge for the year	2	5	7
At 31 March 1996	2	5	7
<b>Net Book Value</b>			
At 31 March 1996	5	16	21
At 31 March 1995	8	-	8

## 14 CAPITAL COMMITMENTS

	Group 1996 £'000	Group 1995 £'000	Parent Company 1996 £'000	Parent Company 1995 £'000
Capital expenditure contracted for but not provided	Nil	101	Nil	21

## 15 FIXED ASSETS - INVESTMENTS

Summary	Parent Company 1996 £'000	Parent Company 1995 £'000
Loan to subsidiary undertaking	377	368
Subsidiary undertakings	12,218	12,218
	<b>12,595</b>	<b>12,586</b>
<b>(a) Loan to subsidiary undertaking</b>		
At 1 April 1995	568	
Provision as at 1 April 1995	(200)	
Net advanced in year	9	
At 31 March 1996	<b>377</b>	
<b>(b) Investment in subsidiary undertakings</b>		
Cost or valuation		
At 1 April 1995 and at 31 March 1996	<b>12,670</b>	
Provision for diminution in value		
At 1 April 1995 and at 31 March 1996	<b>452</b>	
<b>Net Book Value</b>		
Stated at cost	<b>7,891</b>	
Stated at 1993 valuation	<b>4,327</b>	
At 31 March 1996	<b>12,218</b>	

The historical cost of investments in subsidiary undertakings at 31 March 1996 was £11,621,000 (1995: £11,621,000). Details of the company's principal subsidiary undertakings are given on page 30.

# NOTES TO THE ACCOUNTS

Year ended 31 March 1996

## 16 STOCKS

	Group 1996 £'000	Group 1995 £'000
Raw materials	515	418
Work in progress	142	154
Finished goods	1,061	1,121
	<b>1,718</b>	<b>1,693</b>

## 17 DEBTORS

	Group 1996 £'000	Group 1995 £'000	Parent Company 1996 £'000	Parent Company 1995 £'000
Trade debtors	3,828	3,524	-	-
Other debtors	505	1706	405	1,377
Amounts owed by subsidiary undertakings	-	-	3,010	2,405
Advance corporation tax recoverable	349	383	345	383
Prepayments and accrued income	136	147	13	13
	<b>4,818</b>	<b>5,760</b>	<b>3,773</b>	<b>4,178</b>

Amounts recoverable after more than one year included in debtors are as follows:

	£'000	£'000	£'000	£'000
Advance corporation tax recoverable	143	264	143	264
	<b>143</b>	<b>264</b>	<b>143</b>	<b>264</b>

Other debtors at 31 March 1996 include an amount of £405,000 (1995: £775,000) being the balance due on the sale in February 1992 of Indo African Exports Limited, which is receivable within one year. Mr B H Kapadia, a former director, is a shareholder of that company.

**18 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)**

	Group 1996 £'000	Group 1995 £'000	Parent Company 1996 £'000	Parent Company 1995 £'000
Bank loans (note 21)	234	229	234	229
Hire purchase and finance lease creditors (note 21)	65	68	-	-
Amounts due to subsidiary undertakings	-	-	36	-
Trade creditors	2,911	3,388	-	-
Other creditors	13	14	-	-
Corporation tax	124	169	-	-
Advance corporation tax	149	264	143	264
Other taxes and social security costs	110	150	23	81
Accruals	380	280	76	65
Interim dividend (note 11)	212	211	212	211
Proposed final dividend (note 11)	360	847	360	847
	<b>4,558</b>	<b>5,620</b>	<b>1,084</b>	<b>1,697</b>

**19 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)**

	Group 1996 £'000	Group 1995 £'000	Parent Company 1996 £'000	Parent Company 1995 £'000
Bank loans (note 21)	1,681	1,911	1,681	1,911
Hire purchase and finance lease creditors (note 21)	64	95	-	-
Amounts owed to subsidiary undertakings	-	-	485	485
Other creditors	21	31	-	-
	<b>1,766</b>	<b>2,037</b>	<b>2,166</b>	<b>2,396</b>

# NOTES TO THE ACCOUNTS

Year ended 31 March 1996

## 20 PROVISION FOR LIABILITIES AND CHARGES

### Deferred Taxation

Deferred taxation is only provided to the extent that, in the opinion of the directors, a liability will crystallise in the foreseeable future. The potential liability at 31 March 1996 for which provision has not been made, is as follows.

	Group 1996 £'000	Group 1995 £'000	Parent Company 1996 £'000	Parent Company 1995 £'000
Accelerated capital allowances	208	200	-	-
Other timing differences	(44)	(45)	-	-
	164	155	-	-
Revaluation of fixed assets	10	12	-	-
	174	167	-	-

At 31 March 1996 there were unutilised trading losses available to be carried forward of approximately £258,000 (1995: £227,000).

## 21 BORROWINGS

	Group 1996 £'000	Group 1995 £'000	Parent Company 1996 £'000	Parent Company 1995 £'000
<b>(a) Obligations under hire purchase and finance leases</b>				
These are repayable as follows:				
Within 1 year	65	68	-	-
Between 1 and 5 years	64	95	-	-
	129	163	-	-
<b>(b) Bank loans and overdrafts</b>				
These are repayable as follows:				
Within 1 year	234	229	234	229
Between 1 and 2 years	237	232	237	232
Between 2 and 5 years	733	715	733	715
After 5 years	711	964	711	964
	1,915	2,140	1,915	2,140

Interest on the bank loans is payable at 2.5% above LIBOR.

The bank loans and overdrafts are secured by legal charges over the assets of the group.

Hire purchase and finance leases are secured against the assets to which they relate (note 13).

## 22 FINANCIAL COMMITMENTS

The group is committed to the following annual payments under operating leases, which expire as follows:

	Land and buildings 1996 £'000	Land and buildings 1995 £'000	Other 1996 £'000	Other 1995 £'000
Within 1 year	-	-	5	3
Between 1 and 5 years	35	35	4	17
After 5 years	276	178	1	-
	311	213	10	20

## 23 CALLED UP SHARE CAPITAL

	Group and Parent Company 1996 £'000	Group and Parent Company 1995 £'000
<b>Authorised:</b>		
56,452,000 (1995: 56,452,000) ordinary shares of 25p each	14,113	14,113

	Number	£'000	£'000
<b>Allotted and fully paid:</b>			
Ordinary shares of 25p each			
At 1 April 1995	42,337,880	10,585	10,585
Allotted on 15 July 1995 on exercise of share option at 37p	16,217	4	-
At 31 March 1996	42,354,097	10,589	10,585

On 10 June 1996, 11,294,425 ordinary shares were allotted at 27p per share under a Placing and Open Offer.

### Share Option Schemes:

The Board has granted options to certain directors and employees in accordance with the rules of the Share Option Scheme established by the company. Options outstanding at 31 March 1996 were as follows:

Number of ordinary shares of 25p each	Price per share	Exercise period
129,728	37.0p	1 May 1995 - 30 Apr 2002
15,753	38.1p	1 Aug 1996 - 31 Jul 2003
40,000	42.7p	1 Feb 1997 - 31 Jan 2004
25,735	43.3p	1 Mar 1997 - 29 Feb 2004
109,412	35.3p	1 Jan 1998 - 31 Dec 2004
199,623 (granted 30 June 1995)	38.5p	1 Jul 1998 - 30 Jun 2005
<b>520,251</b>		

Details of the options granted to directors are disclosed in note 8.

## 24 SHARE PREMIUM ACCOUNT

	Group £'000	Parent Company Group £'000
At 1 April 1995	1230	1230
Premium arising on shares allotted	2	2
At 31 March 1996	1232	1232

# NOTES TO THE ACCOUNTS

Year ended 31 March 1996

## 25 REVALUATION RESERVE

	Group £'000	Parent Company £'000
At 1 April 1995	60	761
Profit and loss account transfer	(1)	-
At 31 March 1996	59	761

## 26 OTHER RESERVES

At 31 March 1996 other reserves included cumulative goodwill written off on acquisitions of subsidiary undertakings, amounting to £11,370,000 (1995: £11,370,000).

## 27 PROFIT AND LOSS ACCOUNT

	Group £'000	Parent Company £'000
At 1 April 1995	(309)	130
(Deficit)/retained profit for the year	(368)	449
Revaluation reserve transfer	1	-
At 31 March 1996	(676)	579

The profit for the year attributable to the Parent company was £1,021,000 (1995: £901,000) after crediting intra group dividends of £1,332,500 (1995: £700,000).

## 28 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Group 1996 £'000	Group 1995 £'000
At 1 April 1995	3,251	3,111
Total recognised gains	204	1,157
Dividends	(572)	(1,058)
New share capital subscribed	6	-
Goodwill recovered on acquisition	-	41
At 31 March 1996	2,889	3,251

## 29 CONTINGENT LIABILITIES OF THE PARENT COMPANY

At 31 March 1996, the company has guaranteed the annual rental commitment of a subsidiary undertaking amounting to £130,000 (1995: £130,000) in the ordinary course of business. Also the company has guaranteed bank overdrafts of subsidiary undertakings amounting in aggregate to £ Nil (1995: £ Nil)

At 31 March 1996, there was a letter of credit amounting to £65,000 given in the normal course of business in favour of a supplier to a subsidiary undertaking.

## 30 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group 1996 £'000	Group 1995 £'000
Operating profit	1,124	1,644
Depreciation of tangible fixed assets	368	308
Profit/(loss) on sale of tangible fixed assets	6	(8)
Increase in stocks	(25)	(340)
Increase in debtors	(53)	(447)
(Decrease)/Increase in creditors	(434)	1,345
Net cash inflow from operating activities	986	2,502

## 31 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	Group 1996 £'000	Group 1995 £'000
Balance of cash at bank and overdrafts at 1 April 1995	1,107	578
Cash (outflow)/ inflow	(822)	529
Balance of cash at bank at 31 March 1996	285	1,107

## 32 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital and premium		Bank loans, hire purchase and finance lease obligations	
	1996 £000	1995 £000	1996 £000	1995 £000
At 1 April 1995	11,815	11,815	2,303	2,495
Capital value at inception of leases	-	-	46	131
Cash inflow/(outflow) from financing	6	-	(305)	(323)
At 31 March 1996	11,821	11,815	2,044	2,303

# PRINCIPAL SUBSIDIARY COMPANIES

During the year the principal subsidiary companies, all of which were wholly owned, were as follows:

Company	Principal activity
Bart Spices Limited	Herbs and spices manufacture
Enco Products Limited*	Manufacture and distribution of speciality food
La Mexicana Quality Foods Limited	Manufacture of Mexican food
Red Rose Velvets Limited	Manufacture of velvet products

\* Indirectly owned.

Shares in subsidiary companies are represented by ordinary shares, and are directly owned unless otherwise stated. The principal country of operation for all the above subsidiaries is the United Kingdom and all were registered in England and Wales.

# CREST

The following notice is the notice that the company is obliged to give to its members of the passing of a "directors' resolution" (as defined in the Uncertificated Securities Regulations 1995) ("the Regulations") in relation to its ordinary shares. The directors' resolution will enable the company's ordinary shares to join CREST in due course. The shares have not become transferable by means of the CREST system merely by virtue of the passing of the directors' resolution. The permission of the Operator of the system, CREST Co Limited, must also be given before the shares can become so transferable. It is anticipated that the company's ordinary shares will enter CREST in February 1997.

The effect of the directors' resolution is to disapply, in relation to the ordinary shares, those provisions of the company's articles of association that are inconsistent with the holding and transfer of those shares in CREST and any provision of the Regulations, as and when the shares concerned enter the CREST system.

## **TO: ALL THE MEMBERS OF THE COMPANY**

### **Notification of directors' resolution relating to the CREST system**

This is to give you notice, in accordance with the Uncertificated Securities Regulations 1995 that on 11 June 1996 the company resolved by a resolution of its directors that title to the ordinary shares of 25 pence each in the capital of the company, in issue or to be issued, may be transferred by means of a relevant system. The resolution of the directors will become effective immediately prior to CREST Co Limited granting permission for the shares concerned to be transferred by means of the CREST system.

# NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at the offices of The Chamber of Shipping, Carthusian Court, 12 Carthusian Street, London, EC1M 6EB on 24th July 1996 at 11.00 am for the purpose of transacting the following business:

## AS ORDINARY BUSINESS

- 1 To receive and adopt the accounts and reports of the directors and auditors for the year ended 31 March 1996.
- 2 To declare a final dividend.
- 3 To re-elect Mr S Bard as a director.
- 4 To elect Mr K Stott as a director.
- 5 To elect Mr R Garland as a director.
- 6 To elect Mr J Brennan as a director.
- 7 To re-appoint the auditors, BDO Stoy Hayward, and to authorise the directors to fix their remuneration for the ensuing year.

## AS SPECIAL BUSINESS

- 8 To consider, and if thought fit, pass the following resolution which will be proposed as a Special Resolution:

That the regulations contained in the printed document a copy of which document marked "A" is produced to the meeting and initialled by the Chairman for the purpose of identification be and are hereby approved and that such regulations be and are hereby adopted as the articles of association of the Company in substitution for, and to the exclusion of, all of the existing regulations.

BY ORDER OF THE BOARD  
ALAN MARTIN FCA  
SECRETARY  
JUNE 1996

2 APEX POINT, TRAVELLERS LANE  
WELHAM GREEN, HATFIELD  
HERTFORDSHIRE AL9 7HF

## Notes

- 1 Any member of the Company who is entitled to vote at the above-mentioned Annual General Meeting may appoint another person or persons (whether a member or not) as their proxy to attend and, on a poll, to vote on their behalf.
- 2 To be valid, Forms of Proxy must be lodged with the Company's Registrars, Connaught St Michaels Limited, PO Box 30, CSM House, Victoria Street, Luton, Bedfordshire, LU1 2BR by 4.00 pm on 23 July 1996.
- 3 In the case of a corporation, the Form of Proxy should be executed under its common seal or signed by a duly authorised officer or attorney of the corporation.
- 4 Completing and returning a Form of Proxy will not prevent any member from attending the meeting in person and voting should they so wish.
- 5 The following documents will be available at the registered office of the Company on any weekday (except Saturday) during normal business hours and at the place of the meeting for a period of fifteen minutes before the meeting:
  - (a) The register of interests of the Company's directors in the shares of the Company which is maintained under Section 325 of the Companies Act 1985.
  - (b) A copy of the Company's contracts of service pertaining to directors with service contracts.