

James Briggs Holdings Limited
(formerly Hallco 228 Limited)

**Directors' report and consolidated
financial statements**

Period from 12 June 1998 to 31 March 1999

Registered number 3580791



James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Directors' report and financial statements

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James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Directors' report

The directors present their first annual report and the audited financial statements for the period ended 31 March 1999.

Principal activities

The principal activities of the group are the manufacture, packing, sale and distribution of paints, lubricants, chemicals and polishes.

The company was incorporated as Hallco 228 Limited on 12 June 1998, and changed its name to James Briggs Holdings Limited on 19 August 1998.

On 28 August 1998 the company acquired the entire issued share capital of James Briggs Limited. Details of the acquisition are included in note 18 to these financial statements.

Business review

The results of the group for the period are set out on page 6 of these financial statements.

Proposed dividend and transfer to reserves

In accordance with the rights attached to the shares, the directors recommend the payment of a dividend of £114,000 to the holders of the 'A' ordinary shares.

The profit for the period retained by the group is £258,000.

Directors and directors' interests

The directors who held office during the period and their interests in the share capital of the company were as follows:

		Ordinary shares	
		31 March 1999	On incorporation
HL Directors Ltd	(appointed 12 June 1998)		
	(resigned 11 August 1998)	-	-
P Barry	(appointed 11 August 1998)	691,149	-
NT Edwards	(appointed 11 August 1998)	460,766	-
W Seager	(appointed 28 August 1998)		
	(resigned 30 April 1999)	115,083	-
M Fairman	(appointed 28 August 1998)	69,090	-
RJ Murie	(appointed 28 August 1998)	92,088	-
M Lyth	(appointed 28 August 1998)	25,803	-
		<hr/>	<hr/>

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Directors' report *(continued)*

Year 2000

The group recognises the potential problems posed to its systems used in and following year 2000.

In November 1997 it initiated a project to reprogram substantially all of its computer software and hardware, and also to conduct a full compatibility audit of all computer hardware and also all equipment utilising embedded computer chips.

The action plan, which includes complete replacement of the company's current business system software, is on schedule for completion in August 1999.

The costs of making the system Year 2000 compliant are incidental to the total cost of upgrading the systems in full.

Employee involvement

The company has continued its practice of keeping employees informed of matters affecting them and of the financial and economic factors affecting the performance of the company.

This is achieved through consultation with employee representatives and company briefings.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

It is the policy of the group that training, career development and promotion opportunities should be available to all employees.

Donations

During the period, the group made charitable donations of £1,382.

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Directors' report *(continued)*

Supplier payment policy

Terms and conditions of payment for the supply of goods and services are agreed in advance with our suppliers and payments are made generally with those terms.

Auditors

During the period KPMG were appointed as the first auditors of the company.

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



NT Edwards
Secretary

Springfield Works
Salmon Fields
Royton
Oldham
Lancashire
OL2 6HZ

James Briggs Holdings Limited

(formerly Halco 228 Limited)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the group, 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 group will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Auditors' report to the members of James Briggs Holdings Limited
(formerly Hallco 228 Limited)

We have audited the financial statements on pages 6 to 28.

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 as at 31 March 1999, and of the profit of the group for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

14 July 1999

James Briggs Holdings Limited
(formerly Hallco 228 Limited)

Consolidated profit and loss account
for the period ended 31 March 1999

	<i>Note</i>	Period ended 31 March 1999 £000
Turnover from acquisitions	2	12,307
Cost of sales		(7,069)
Gross profit		5,238
Other operating charges	3	(4,066)
Operating profit from acquisitions		1,172
Interest payable and similar charges	7	(600)
Profit on ordinary activities before taxation	2-7	572
Tax on profit on ordinary activities	8	(200)
Profit on ordinary activities after taxation		372
Dividends paid and proposed	9	(114)
Retained profit for the period		258

The results above arose wholly from the acquisition of the entire issued share capital of James Briggs Limited (see note 18) together with the associated financing costs.

The company has no recognised gains or losses in the current financial period other than those reported above and consequently no statement of total recognised gains and losses has been presented.

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Consolidated balance sheet

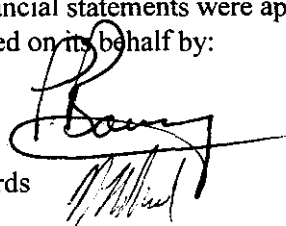
at 31 March 1999

	Note	1999	
		£000	£000
Fixed assets			
Tangible assets	10		3,607
Intangible assets	11a		80
Goodwill	11b		7,277
Investment in own shares	26		13
			<hr/> 10,977
Current assets			
Stocks	13	2,417	
Debtors	14	4,902	
Cash at bank and in hand		223	
		<hr/> 7,542	
Creditors: amounts falling due within one year	15	(6,280)	
		<hr/>	
Net current assets			1,262
Total assets less current liabilities			<hr/> 12,239
Creditors: amounts falling due after more than one year	16		(7,369)
Provisions for liabilities and charges	17		(95)
Government grants	19		(25)
Net assets			<hr/> 4,750
Capital and reserves			<hr/>
Called up share capital	20		4,522
Profit and loss account	22		228
Total shareholders' funds			<hr/> 4,750
Analysed between:			<hr/>
Equity shareholders' funds			2,185
Non-equity shareholders' funds			2,565
Total shareholders' funds			<hr/> 4,750

These financial statements were approved by the board of directors on
were signed on its behalf by:

P Barry

NT Edwards



13th July 1999

and

Directors

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Company balance sheet

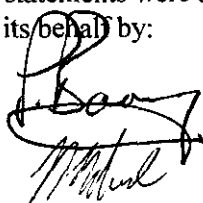
at 31 March 1999

	Note	1999	
		£000	£000
Fixed assets			
Investments	12		13,403
Current assets			
Debtors	14	1,135	
		<u>1,135</u>	
Creditors: amounts falling due within one year	15	(2,097)	
		<u></u>	
Net current liabilities			(962)
Total assets less current liabilities			<u>12,441</u>
Creditors: amounts falling due after more than one year	16		(7,513)
			<u></u>
Net assets			<u>4,928</u>
Capital and reserves			
Called up share capital	20		4,522
Profit and loss account	22		406
			<u></u>
Total shareholders' funds			<u>4,928</u>
Analysed between:			
Equity shareholders' funds			2,267
Non-equity shareholders' funds			2,661
			<u></u>
Total shareholders' funds			<u>4,928</u>

These financial statements were approved by the board of directors on 13th July 1999 and were signed on its behalf by:

P Barry

NT Edwards



Directors

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Consolidated cash flow statement for the period ended 31 March 1999

	<i>Note</i>	Period ended 31 March 1999
		£000
Net cash inflow from operating activities		3,403
Returns on investments and servicing of finance	<i>21</i>	(77)
Taxation	<i>21</i>	(553)
Capital expenditure and financial investment	<i>21</i>	(399)
Acquisitions	<i>21</i>	(13,403)
Cash outflow before management of liquid resources and financing		(11,029)
Financing	<i>21</i>	12,571
Increase in cash and cash equivalents		1,542

Reconciliation of operating profit to operating cash flows for the period ended 31 March 1999

	Period ended 31 March 1999
	£000
Operating profit	1,172
Depreciation and amortisation charge	624
Loss on sale of fixed assets	57
Decrease in stocks	433
Increase in debtors	(151)
Increase in creditors	1,311
Release of government grant	(13)
Share issue costs transferred to reserves	(30)
Net cash inflow from operating activities	3,403

Reconciliation of net cash flow to movement in net debt for the period ended 31 March 1999

	<i>Note</i>	Period ended 31 March 1999
		£000
Increase in cash and cash equivalents		1,542
Cash inflow from increase in debt and lease financing		(8,084)
Net debt on acquisition		(1,512)
Other non-cash changes		(35)
Movement in net debt in period	<i>23</i>	(8,089)
Net debt on incorporation	<i>23</i>	-
Net debt carried forward	<i>23</i>	(8,089)

James Briggs Holdings Limited
(formerly Hallco 228 Limited)

Reconciliation of movement in shareholders' funds
for the period ended 31 March 1999

	Group Period ended 31 March 1999 £000	Company Period ended 31 March 1999 £000
Profit for the financial period	372	550
Dividend proposed	(114)	(114)
	<hr/>	<hr/>
	258	436
Share capital subscribed	4,522	4,522
Less: share issue costs	(30)	(30)
	<hr/>	<hr/>
Net addition to shareholders' funds	4,750	4,928
Opening shareholders' funds	-	-
	<hr/>	<hr/>
Closing shareholders' funds	4,750	4,928
	<hr/>	<hr/>

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Basis of consolidation

The group financial statements consolidate the financial statements of James Briggs Holdings Limited, its trading subsidiary undertaking and the results of the James Briggs Employee Benefit Trust (see note 26) drawn up to 31 March 1999. The acquisition method of accounting has been adopted. Under this method of accounting, the results of subsidiaries are included from the date effective control passed.

No profit and loss account is presented for James Briggs Holdings Limited as permitted by Section 230(4) of the Companies Act 1985. Details of the individual profit and loss for James Briggs Holdings Limited for the financial period is shown in note 22 to these financial statements.

Depreciation

Depreciation on fixed assets is provided on the straight-line method, after taking account of residual value where appropriate, at rates designed to write off the original cost over their useful lives as follows:

Land and buildings	-	3%
Leasehold improvements	-	Term of lease
Plant, machinery and equipment	-	10% - 15%
Motor vehicles	-	10% - 50%
Computer equipment	-	20%

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes *(continued)*

1 **Accounting policies *(continued)***

Stock

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

Cost reflects the cost incurred to bring each product to its present location including factory overheads.

Intangible assets

Certain trademarks, the value of which are not expected to diminish in the foreseeable future, have been recorded at cost, less appropriate provisions, as fixed intangible assets. An annual amortisation is provided on these assets to write them off over 20 years. However, their value is reviewed annually by the directors and the cost written down where any additional permanent diminution in value has occurred.

Point of sale stands

The cost of point of sale stands is treated as a merchandising expense and written off to the profit and loss account in the period in which the expenditure is incurred.

Where the company has a defined trading contract, expenditure on stands is deferred such that it is written off over the life of the contract on an accelerated basis.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Deferred taxation

Deferred tax is provided for under the liability method using the tax rates estimated to be applicable when the timing differences reverse and is accounted for to the extent that it is probable, in the opinion of the directors, that a liability or asset will crystallise.

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes (continued)

1 Accounting policies (continued)

Goodwill

Goodwill represents the excess of the fair value of the consideration paid over the fair value of the separable net assets acquired. In accordance with FRS 10, goodwill generated is being written off directly to the profit and loss account over 20 years.

Turnover

Turnover represents the value of goods sold during the period (excluding value added tax).

Pension costs

Defined contribution pension arrangements are made for certain employees of the company. The company's contributions are charged against the profit and loss account in the year in which they become payable. The assets of pension schemes are held separately from those of the company in independently administered funds.

2 Analysis of turnover and profit on ordinary activities before taxation

Turnover and profit on ordinary activities before taxation relate entirely to the principal activity of the group.

The geographical split of turnover is detailed below:

	Period ended 31 March 1999 £000
United Kingdom	10,777
Rest of Europe	1,349
Other	181
	<hr/> 12,307 <hr/>

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes (continued)

3 Other operating charges

	Period ended 31 March 1999 £000
Distribution costs	1,791
Administration costs	2,269
Other operating charges	6
	<hr/> 4,066 <hr/>

Other operating charges include £3,931,000 resulting from acquisitions and £21,000 resulting from continuing operations.

4 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated:

	Period ended 31 March 1999 £000
<i>after charging/(crediting)</i>	
Auditors' remuneration:	
- audit (parent company)	5
- audit (group)	20
- other services	283
Depreciation of tangible fixed assets - owned	376
Depreciation of tangible fixed assets - leased	44
Amortisation of goodwill	200
Amortisation of intangible fixed assets	4
Hire of plant and machinery - rentals payable under operating leases	2
Hire of other assets - rentals payable under operating leases	83
Loss on sale of fixed assets	57
Release of government grant	(13)
	<hr/>

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Period ended 31 March 1999 £000
Production and distribution	226
Sales	28
Administration	20
	<hr/> 274 <hr/>

The aggregate payroll of these persons was as follows:

	Period ended 31 March 1999 £000
Wages and salaries	2,319
Social security costs	206
Other pension costs (see note 25)	51
	<hr/> 2,576 <hr/>

6 Remuneration of directors

	Period ended 31 March 1999 £000
Directors' emoluments:	
Remuneration as executives	232
Pension contributions paid	18
	<hr/> 250 <hr/>

The emoluments, excluding pension contributions, of the chairman were £12,000 and those of the highest paid director were £43,000.

Pension contributions are paid in respect of six directors.

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes (continued)

7 Interest payable and similar charges

	Period ended 31 March 1999 £000
Interest payable on bank overdraft wholly repayable within one year	6
Hire purchase interest	13
Interest payable on other loans repayable within one year	86
Interest payable on bank loans repayable after five years by instalments	279
Interest payable on other loans wholly repayable after five years	225
Other interest	(9)
	<hr/> 600 <hr/>

8 Taxation

	Period ended 31 March 1999 £000
UK corporation tax at 31% on the profit for the period on ordinary activities	200
	<hr/>

9 Dividends paid and proposed

	Period ended 31 March 1999 £000
'A' ordinary dividends proposed	114
	<hr/>

James Briggs Holdings Limited

(formerly Halco 228 Limited)

Notes (continued)

10 Tangible fixed assets

<i>Group</i>	Freehold land and buildings £000	Leasehold improvements £000	Plant, machinery & equipment £000	Motor vehicles £000	Total £000
<i>Cost</i>					
On acquisition	1,244	466	5,248	388	7,346
Additions	7	8	457	-	472
Disposals	-	-	(400)	(93)	(493)
At end of period	1,251	474	5,305	295	7,325
<i>Depreciation</i>					
On acquisition	336	57	3,139	164	3,696
Charge for period	19	12	332	57	420
Disposal	-	-	(339)	(59)	(398)
At end of period	355	69	3,132	162	3,718
<i>Net book value</i>					
At 31 March 1999	896	405	2,173	133	3,607
On acquisition	908	409	2,109	224	3,650

Included in the total net book value assets is £204,000 in respect of assets held under finance lease agreements. Depreciation for the period on these assets was £44,000.

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes (continued)

11a Intangible fixed assets (*Trademarks*)

	Trademarks £000
Group	
Cost	
On acquisition (see note 18) and end of period	89
	<hr/>
Amortisation	
On acquisition (see note 18)	5
Provision in the period	4
	<hr/>
At end of period	9
	<hr/>
Net book value	
At 31 March 1999	80
	<hr/>

11b Intangible fixed assets (*Goodwill*)

	Goodwill £000
Group	
Cost	
At beginning and end of period (see note 18)	7,477
	<hr/>
Amortisation	
Charge for period	200
	<hr/>
At end of period	200
	<hr/>
Net book value	
At 31 March 1999	7,277
	<hr/>

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes (continued)

12 Fixed asset investments

Company
£000

Shares in subsidiary undertakings at cost

At 31 March 1999 13,403

Subsidiary undertakings	Country of registration	Shares held	Shares held by James Briggs Holdings Limited	Nature of business
James Briggs Limited	England and Wales	Ordinary	100%	Manufacture, packing, sale and distribution of paints, lubricants, chemicals and polishes
Hycote Limited	England and Wales	Ordinary	100%*	Dormant
Tek International Limited	England and Wales	Ordinary	100%*	Dormant
James Briggs Trustee Limited	England and Wales	Ordinary	100%*	Dormant

Held indirectly by James Briggs Limited

13 Stocks

Group
1999
£000

Raw materials	1,683
Finished and partly finished goods	734
	<u>2,417</u>

14 Debtors

	Group 1999 £000	Company 1999 £000
Amounts falling due within one year		
Trade debtors	4,685	-
Other debtors	68	207
Dividend receivable	-	928
Prepayments and accrued income	149	-
	<u>4,902</u>	<u>1,135</u>

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes (continued)

15 Creditors: amounts falling due within one year

	Group 1999 £000	Company 1999 £000
Bank loans and overdraft	529	529
Other loans	339	-
Obligations under finance leases and hire purchase contracts	86	-
Trade creditors	2,604	-
Amounts owed to subsidiary undertakings	-	1,134
Corporation tax	453	-
Other creditors	70	-
Other taxes and social security	611	-
Accruals and deferred income	1,474	320
Proposed dividend	114	114
	<u>6,280</u>	<u>2,097</u>

Bank loans and overdraft are secured by the freehold and leasehold land of the group and a fixed and floating charge over all the assets of the group.

Other loans are secured by the trade debtors of the group.

16 Creditors: amounts falling due after more than one year

	Group 1999 £000	Company 1999 £000
Bank loans	4,022	4,022
Loan notes due to third parties	3,258	3,258
Loan notes due to group undertakings	-	233
Obligations under finance leases and hire purchase contracts	78	-
Amounts due to group undertakings	11	-
	<u>7,369</u>	<u>7,513</u>

Bank loans carry an interest rate of 1.75% above LIBOR. Details of the repayment schedules are shown below.

Loan notes carry an interest rate of 11%. Details of the repayment schedules are shown below. Repayments commence on 31 August 2005 and are payable in 10 half yearly equal instalments.

Bank loans and overdraft are secured by the freehold and leasehold land of the group and a fixed and floating charge over all the assets of the company.

Loan notes are unsecured and include £232,808 payable to James Briggs Employee Benefit Trust.

James Briggs Holdings Limited

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Notes (continued)

16 Creditors: amounts falling due after more than one year (continued)

The maturity of obligations under bank loans and overdrafts, finance leases, other loans and loan notes is as follows:

	Group 1999 £000	Company 1999 £000
<i>Within one year</i>		
Bank loans and overdrafts	529	529
Other loans	339	-
Finance leases	86	-
<i>Between one and within two years</i>		
Bank loans	564	564
Finance leases	78	-
<i>Between two and within five years</i>		
Bank loans	2,210	2,210
<i>After five years</i>		
Bank loans	1,248	1,248
Loan notes	3,258	3,491
	<u>8,312</u>	<u>8,042</u>

17 Provisions for liabilities and charges

	Group and company £000			
<i>Deferred taxation</i>				
On acquisition and period end				95
				<u>95</u>
	Group		Company	
	Provided	Unprovided	Provided	Unprovided
	1999	1999	1999	1999
	£000	£000	£000	£000
Accelerated capital allowances	126	127	-	-
Other timing differences	(31)	-	-	-
	<u>95</u>	<u>127</u>	<u>-</u>	<u>-</u>

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes (continued)

18 Fair value adjustment

On 28 August 1998, James Briggs Holdings Limited acquired 100% of the share capital of James Briggs Limited. Details relating to the acquisition are set out below:

	Net book value £000	Adjustment £000	Fair value £000
Tangible fixed assets	3,673 (a)	(23)	3,650
Intangible fixed assets	84	-	84
Investment in own shares	25 (b)	221	246
Stocks	2,850	-	2,850
Debtors	4,835 (c)	(84)	4,751
Cash (net amount)	(1,343)	-	(1,343)
Creditors	(4,021) (d)	(158)	(4,179)
Provisions for liabilities and charges	(95)	-	(95)
Government grants	(38)	-	(38)
Net assets acquired	<u>5,970</u>	<u>(44)</u>	<u>5,926</u>
Consideration			<u>13,403</u>
Goodwill arising on acquisition (note 11b)			<u>7,477</u>
Satisfied by:			
Cash paid			13,000
Professional fees paid			403
Total consideration			<u>13,403</u>

- a) Tangible fixed assets have been valued at fair value to incorporate market values.
- b) Investments in own shares have been valued at fair value to incorporate market values.
- c) Debtors have been valued at market value to incorporate their recoverable amount.
- d) Creditors have been valued at market value and to incorporate certain onerous contracts and liabilities entered into by James Briggs Limited before the acquisition and liabilities of the company not included within creditors.

Profit after taxation of James Briggs Limited for the period from 1 April 1998 to the date of acquisition was £493,000. Profit after taxation for the previous financial year was £1,309,000.

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes (continued)

18 Fair value adjustment (continued)

The results of James Briggs Limited are summarised below:

	Year ended 31 March 1999 £000	Year ended 31 March 1998 £000
Turnover	21,351	22,527
Gross profit	8,789	9,132
Profit on ordinary activities before taxation	2,043	1,863
Profit on ordinary activities after taxation	1,468	1,309

19 Government grants

	Group £000
On acquisition (note 18)	38
Transfer to profit and loss account	(13)
At end of period	25

The Government grant relates to the company's development of the Foxdenton Lane site and is being amortised over four years.

20 Called up share capital

	Company 1999 £
<i>Authorised, allotted, called up and fully paid</i>	
2,441,829 'A' ordinary shares of £1 each	2,441,829
2,080,076 ordinary shares of £1 each	2,080,076
	4,521,905

On incorporation, the company had a registered share capital of 1,000 ordinary £1 shares, of which 2 were issued at par.

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes *(continued)*

20 **Called up share capital** *(continued)*

On 13 August 1998 the company issued 48 ordinary shares at par.

On 27 August 1998 the company increased its authorised share capital by 99,000 ordinary shares of £1 each.

On 27 August 1998 the company issued 69,042 ordinary shares at par.

On 28 August 1998 the company increased its authorised share capital by 1,980,076 ordinary shares of £1 each and 2,441,829 'A' ordinary shares of £1 each.

On 28 August 1998 the company issued 2,010,984 ordinary shares at par and 2,441,829 'A' ordinary shares at par.

All share issues during the period were done to enable the acquisition of 100% of the share capital of James Briggs Limited (see note 18).

Rights attached to shares - Dividends

The profits of the company available for distribution are payable as detailed below:

First in paying the holders of the 'A' ordinary shares a dividend of 8 pence per share per annum.

Second in paying the holders of the 'A' ordinary shares and the ordinary shares a sum of 40% of net profit, commencing 1 April 1999.

Third in paying the holders of the 'A' ordinary shares the Excess Benefits.

Rights attached to shares - Voting

All shares carry one vote.

Rights attached to shares - Capital

The assets of the company remaining after settlement of all liabilities and costs on winding up shall be payable as follows:

First in paying the holders of the 'A' ordinary shares £1 per share.

Second in paying the holders of the ordinary shares £1 per share.

Third in paying the holders of the 'A' ordinary shares and holders of the ordinary shares the remaining amount in proportion to the shares held.

Rights attached to shares - Conversion

The holders of the 'A' ordinary shares may, at any time, convert the whole of their 'A' ordinary shares into a like number of ordinary shares.

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes *(continued)*

21 Analysis of items netted in the cash flow statement

Returns on investment and servicing of finance

	Group 1999 £000
Interest payable	(297)
Finance lease interest payable	(13)
Realisation of investments in own shares	233
	<hr/> (77) <hr/>

Taxation

	Group 1999 £000
UK corporation tax paid	(553)
	<hr/>

Capital expenditure and financial investment

	Group 1999 £000
Purchase of tangible fixed assets	(437)
Sale of tangible fixed assets	38
	<hr/> (399) <hr/>

Acquisitions

	Group 1999 £000
Purchase of subsidiary undertaking (see note 18)	(13,403)
	<hr/>

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes (continued)

21 Analysis of items netted in the cash flow statement (continued)

Financing

	Group 1999 £000
Share capital subscribed	4,522
New loans subscribed	8,089
Capital element of finance lease creditors	(40)
	<u>12,571</u>

22 Reserves

	Share capital £000	Profit and loss account £000	Total £000
Group			
Share capital subscribed to	4,522	-	4,522
Share issue costs	-	(30)	(30)
Retained profit for the period	-	258	258
	<u>4,522</u>	<u>228</u>	<u>4,750</u>
Company			
Share capital subscribed to	4,522	-	4,522
Share issues costs	-	(30)	(30)
Retained loss for the period	-	436	436
	<u>4,522</u>	<u>406</u>	<u>4,928</u>

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes (continued)

23 Analysis of net debt

	On acquisition	Cashflow	Acquisition (excl overdraft)	Other non-cash movement	31 March 1999
	£000	£000	£000	£000	£000
Cash balance	141	82	-	-	223
Bank overdraft	(1,484)	1,460	-	-	(24)
		1,542	-		
Balances due within one year					
Finance leases	(118)	40	(8)	-	(86)
Bank loans	-	-	(501)	(4)	(505)
Other loans	-	-	(339)	-	(339)
Balances due after one year					
Finance leases	(51)	-	(27)	-	(78)
Bank loans	-	-	(3,991)	(31)	(4,022)
Loan notes	-	-	(3,258)	-	(3,258)
		40	(8,124)		
	(1,512)	1,582	(8,124)	(35)	(8,089)

24 Contingent liabilities and commitments

- There were no contingent liabilities at 31 March 1999.
- Capital commitments comprised:

	Group 1999 £000	Company 1999 £000
Authorised and contracted for	-	-
Authorised but not contracted for	60	-

James Briggs Holdings Limited

(formerly Hallco 228 Limited)

Notes (continued)

24 Contingent liabilities and commitments (continued)

iii) Lease commitments

The company leases certain land and buildings on a short term lease. The annual rental on this lease is subject to five yearly rent reviews as specified in the lease.

The minimum annual rentals under the lease are as follows:

	Group 1999 £000	Company 1999 £000
Operating leases which expire after five years	142	-

25 Pensions

The company operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the company. Pension contributions for the period amounted to £51,000. There were £7,000 outstanding pension contributions at 31 March 1999.

26 Investment in own shares

Investment in own shares represents share capital of James Briggs Holdings Limited owned by the James Briggs Employee Benefit Trust ("EBT") and held for the benefit of the employees of the group. Investments in own shares are stated at the lower of cost and share option exercise price less any provision for any permanent diminution in value. All administrative expenses are borne by the EBT. Details relating to the investment in own shares are as follows:

	£000
Fair value on acquisition (see note 18)	246
Realised on acquisition (see note 21)	(233)
At 31 March 1999	13

At 31 March 1999 the EBT held 271,314 shares in James Briggs Holdings Limited. There were no options granted and outstanding against these shares.