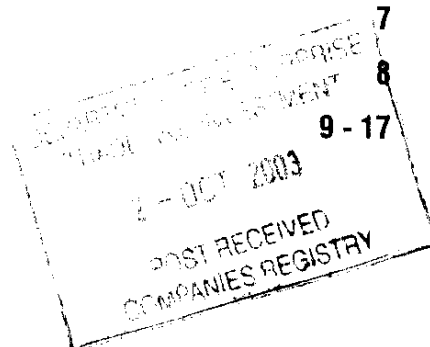
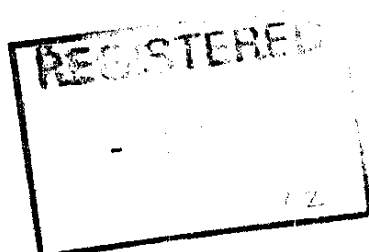


**WILLIAM SPROTT (PORTADOWN) LIMITED****ABBREVIATED ACCOUNTS****31 DECEMBER 2002**

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## **GENERAL INFORMATION**

### **DIRECTORS**

GA Forbes  
Mrs ME Forbes  
Miss S Forbes

### **SECRETARY**

Mrs ME Forbes

### **REGISTERED OFFICE**

Edward Street  
Portadown  
Craigavon  
Co Armagh

### **AUDITORS**

Moorhead Hall & Co  
52 Bridge Street  
Portadown  
Craigavon  
Co Armagh

### **BANKERS**

Northern Bank Limited  
45-48 High Street  
Portadown  
Craigavon  
Co Armagh

First Trust Bank  
2 Royal Avenue  
Belfast

Anglo Irish Bank Corporation plc  
14-18 Great Victoria Street  
Belfast  
BT2 7BA

Ulster Bank Limited  
20 High Street  
Portadown  
Craigavon  
Co Armagh  
BT62 1HU

### **REGISTERED NUMBER**

NI 2045



## **DIRECTORS' REPORT**

### **ACCOUNTS**

The directors present their report and the audited accounts for the company for the year ended 31 December 2002.

### **REVIEW OF THE BUSINESS**

The company's principal activity, which is unchanged since last year, is that of bacon and ham curing.

The strength of sterling against the Euro continues to make profitable trading in Great Britain very difficult as the local pig price for most of the year was the second highest in Europe, being substantially higher than our three competitors, ie Republic of Ireland, Denmark and Holland.

This situation is likely to continue in 2003 unless some unforeseen event occurs. It is anticipated that 2003 will be another challenging year.

### **RESULTS AND DIVIDENDS**

The company's loss for the year is £22,417 (2001 – profit £100,538). The directors paid a dividend of £9,796 (2001 – £19,593) during the year. Accordingly, the retained loss of £32,213 (2001 – £80,945) will be deducted from reserves.

### **DIRECTORS AND THEIR INTERESTS**

The directors at the year end and their interest in the shares of the company at the beginning of the year and the end of the year were as follows:

<b>Name</b>	<b>Ordinary shares</b>	
	<b>31 December 2002</b>	<b>1 January 2002</b>
GA Forbes	4,297	4,297
M Forbes	1	1
S Forbes	100	100

In accordance with the Articles of Association, Miss S Forbes retires by rotation and, being eligible, offers herself for re-election.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## DIRECTORS' REPORT (CONTINUED)

### CHARITABLE AND POLITICAL CONTRIBUTIONS

Donations made by the company for charitable purposes amounted to £625 (2001 - £39,040). There were no contributions for political purposes.

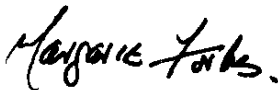
### AUDITORS

The auditors, Moorhead Hall & Co, have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board

ME FORBES

Secretary



2 May 2003



## INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF WILLIAM SPROTT (PORTADOWN) LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES (NORTHERN IRELAND) ORDER 1986

We have examined the abbreviated accounts on pages 6 to 17 together with the accounts of William Sprott (Portadown) Limited prepared under Article 234 of the Companies (Northern Ireland) Order 1986 for the year ended 31 December 2002.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies (Northern Ireland) Order 1986. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 7 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

### **Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the audited accounts, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those accounts. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full accounts.

### **Opinion**

In our opinion, the company is entitled under Articles 254 and 255 of the Companies (Northern Ireland) Order 1986 to the exemptions conferred by Section B of Part III of Schedule 8 to that Order, in respect of the year ended 31 December 2002 and the abbreviated accounts on pages 6 to 17 have been properly prepared in accordance with that schedule.

### **Other information**

On 2 May 2003 we reported, as auditors of William Sprott (Portadown) Limited, to the members on the accounts prepared under Article 234 of the Companies (Northern Ireland) Order 1986 for the year ended 31 December 2002, and our audit report was as follows:

"We have audited the financial statements of William Sprott (Portadown) Limited for the year ended 31 December 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.



INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF  
WILLIAM SPROTT (PORTADOWN) LIMITED  
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE  
COMPANIES (NORTHERN IRELAND) ORDER 1986 (CONTINUED)

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent mis-statements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

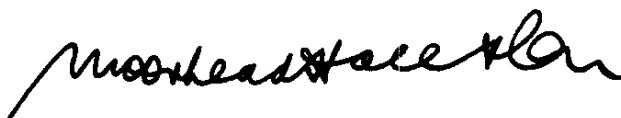
**Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 mis-statement, whether caused by fraud or other irregularities or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986."



Chartered Accountants  
and Registered Auditors

52 Bridge Street, Portadown

2 May 2003



# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	Continuing operations 2002	2001
		£	£
<b>GROSS PROFIT</b>		272,061	432,330
Administrative expenses		(358,394)	(400,509)
Other operating income		<u>21,109</u>	<u>23,807</u>
<b>OPERATING (LOSS)/PROFIT</b>		(65,224)	55,628
Other interest receivable and similar income		36,882	46,284
Amounts written (off)/back to investments		(1,230)	(508)
Interest payable and similar charges		<u>(405)</u>	<u>(555)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	(29,977)	100,849
Tax on (loss)/profit on ordinary activities	4	<u>7,560</u>	<u>(311)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(22,417)	100,538
Dividend paid	5	<u>(9,796)</u>	<u>(19,593)</u>
		<u>(32,213)</u>	<u>80,945</u>

The company has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalent.

The notes on pages 9 to 17 form part of these accounts.



## BALANCE SHEET - 31 DECEMBER 2002

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	1, 6	844,899	889,102
Investments	1	<u>250</u>	<u>250</u>
		845,149	<u>889,352</u>
<b>CURRENT ASSETS</b>			
Stocks and work in progress	1, 7	60,752	55,236
Debtors	8	495,479	556,345
Investments	1, 9	3,708	4,938
Cash at bank and in hand		<u>885,286</u>	<u>899,555</u>
		1,445,225	1,516,074
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(252,186)</u>	<u>(329,230)</u>
<b>NET CURRENT ASSETS</b>		<u>1,193,039</u>	<u>1,186,844</u>
<b>TOTAL CURRENT ASSETS LESS CURRENT LIABILITIES</b>		2,038,188	2,076,196
<b>CREDITORS: amounts falling due after one year</b>	11	(6,835)	-
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	1, 12	(27,000)	(19,500)
<b>ACCRUALS AND DEFERRED INCOME</b>	19	<u>(331,350)</u>	<u>(351,480)</u>
<b>NET ASSETS</b>		<u>1,673,003</u>	<u>1,705,216</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	5,598	5,598
Capital redemption reserve	14	2,402	2,402
Profit and loss account	14	<u>1,665,003</u>	<u>1,697,216</u>
<b>TOTAL EQUITY INTERESTS</b>		<u>1,673,003</u>	<u>1,705,216</u>

The directors have relied on Articles 254 and 255 of the Companies (Northern Ireland) Order 1986 as entitling them to deliver abbreviated accounts on the grounds that the company is entitled to the benefit of those Articles as a medium sized company.

Approved by the Board on 2 May 2003

DIRECTOR



GA Forbes

The notes on pages 9 to 17 form part of these accounts





# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002	2001
		£	£
<b>Net cash inflow/(outflow) from operating activities</b>	20	83,003	<u>(35,996)</u>
<b>Returns on investments and servicing of finance:</b>			
Interest received	38,834		47,706
Dividends received	977		1,598
Interest paid	<u>(405)</u>		<u>(555)</u>
<b>Net cash inflow from returns on investments on servicing of finance</b>		39,406	<u>48,749</u>
<b>Taxation:</b>			
Corporation tax paid (including advance corporation tax)	(20,390)		(2,750)
Corporation tax refund	<u>-</u>		<u>19,039</u>
		(20,390)	<u>16,289</u>
<b>Capital expenditure and financial investment:</b>			
Purchase of fixed assets	(114,980)		(70,278)
Sale of fixed assets	48,800		4,990
Purchase of shares	-		(4,946)
Sale of shares	<u>-</u>		<u>22,936</u>
		(66,180)	<u>(47,298)</u>
<b>Equity dividends paid</b>		(9,796)	<u>(19,593)</u>
<b>Management of liquid resources and financing:</b>			
<u>Management of liquid resources:</u>			
Purchase of investments	(584,948)		(213,255)
Sale of investments	<u>650,005</u>		<u>851,907</u>
	65,057		638,652
<u>Financing:</u>			
Purchase of own shares	<u>-</u>		<u>(753,750)</u>
		65,057	<u>(115,098)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	21, 22	<u>91,100</u>	<u>(152,947)</u>

The notes on pages 9 to 17 form part of these accounts.



## NOTES TO THE ACCOUNTS - 31 DECEMBER 2002

### 1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts:

**(a) Accounting convention**

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

**(b) Turnover**

Turnover has been stated as the amount derived from the provision of goods and services falling within the company's activities after deduction of value added tax.

**(c) Stocks**

Stock and work in progress are stated at the lower of cost and net realisable value. Work in progress consists of cost together with relevant production overheads.

Cost is defined as the purchase price of the item plus any incidental costs of bringing the item to its present location.

Net realisable value is defined as the current market price.

**(d) Fixed assets**

- (i) Investment properties are stated at open market value as determined by the directors.
- (ii) Other assets are stated at cost less accumulated depreciation. Cost comprises purchase price and any installation costs.

**(e) Depreciation**

- (i) In accordance with SSAP 19, no depreciation is provided in respect of freehold or leasehold investment properties having more than 20 years unexpired. This departure from the requirements of the Companies (Northern Ireland) Order 1986 for all properties to be depreciated is, in the opinion of the directors, necessary for the accounts to give a true and fair view in accordance with applicable accounting standards, as the properties are included in the accounts at their open market value.

The effect of depreciation and amortisation on value is already reflected in the valuation of properties and the amount attributed to this factor by the directors cannot reasonably be separately identified or quantified. Had the provisions of the order been followed, net assets would not have been affected but revenue profits would have been reduced for this year.

- (ii) Tangible assets are shown at cost, including installation charges, less any government grants and less depreciation calculated at annual rates estimated to write off each asset over the term of its useful life. The rates in use are as follows:

Land and investment property	- nil
Buildings	- 4% straight line
Plant and machinery	- 20% reducing balance
Fixtures and fittings	- 10% reducing balance
Motor vehicles	- 25% reducing balance



## NOTES TO THE ACCOUNTS - 31 DECEMBER 2002 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (f) Government grants

Government grants are treated as a deferred credit and amortised in accordance with depreciation charged on the relevant assets.

#### (g) Investments

##### Fixed asset investments

Investments have been stated at cost, except where provision was required for permanent diminution in value.

##### Current asset investments

Listed current asset investments are stated at market value.

#### (h) Deferred tax

Deferred tax is accounted for on all timing differences using the liability method where, in the opinion of the directors, a liability is expected to arise in the foreseeable future.

#### (i) Pension costs

Payments to defined contribution pension schemes are charged to the profit and loss account in the period in which they fall due.

#### (j) Foreign currency

Assets and liabilities denominated in foreign currencies have been translated at the rate of exchange ruling at the balance sheet date. All differences were then taken to the profit and loss account and were thus reflected in the profit before taxation.

### 2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2002</u>	<u>2001</u>
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	105,417	105,634
(Profit)/loss on sale of tangible assets	4,466	1,506
Bank interest and charges	405	555
Auditors' remuneration	4,650	5,479
Investment income	(977)	(1,598)
Rental income	<u>(2)</u>	<u>(1,260)</u>



## NOTES TO THE ACCOUNTS - 31 DECEMBER 2002 (CONTINUED)

### 3 STAFF COSTS

The average weekly number of persons, including directors, employed by the company during the year was:

	<u>2002</u>	<u>2001</u>
Administration staff	7	6
Process and distribution staff	<u>29</u>	<u>30</u>
	<u>36</u>	<u>36</u>

Their total remuneration was:

	<u>2002</u>	<u>2001</u>
	£	£
Wages and salaries	529,667	521,595
Social security costs	50,466	50,042
Other pension costs	<u>28,491</u>	<u>27,864</u>
	<u>608,624</u>	<u>599,501</u>

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in period

	<u>2002</u>	<u>2001</u>
	£	£
Current tax:		
UK corporation tax on profits of the period	-	21,600
Adjustment in respect of previous period	<u>(15,060)</u>	<u>(19,789)</u>
Total current tax (note 4b)	<u>(15,060)</u>	<u>1,811</u>
Deferred tax:		
Origination and reversal of timing differences	<u>7,500</u>	<u>(1,500)</u>
Total deferred tax (note 12)	<u>7,500</u>	<u>(1,500)</u>
Tax on profit on ordinary activities	<u>(7,560)</u>	<u>311</u>



## NOTES TO THE ACCOUNTS - 31 DECEMBER 2002 (CONTINUED)

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

#### (b) Factors affecting the tax charge for the period:

The tax assessed for the period is different to the standard rate of corporation tax in the UK (20%). The differences are explained below:

	<u>2002</u>	<u>2001</u>
	£	£
Profit/(loss) on ordinary activities before taxation	<u>(29,977)</u>	<u>100,849</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in UK of 20% (2001 – 20%)	(5,995)	20,170
Effects of:		
Non taxable income	(4,026)	(4,189)
Expenses not deducted for tax purposes	246	355
Capital allowances for the period in excess of depreciation	(3,795)	5,264
Adjustment to tax charge in respect of previous period	(15,060)	(19,789)
Provision rounding	(280)	-
Losses carried back to prior year	<u>13,850</u>	<u>-</u>
	<u>(15,060)</u>	<u>1,811</u>

#### (c) Factors that may affect future tax charges

There are no major factors that may affect future tax charges.

### 5 DIVIDENDS

The company paid a dividend to its shareholders in the year of £9,796 (2001 - £19,593).

### 6 TANGIBLE ASSETS

	Investment property	Freehold land and buildings	Fixtures and fittings	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£	£
<u>Cost</u>						
At 1 January 2002	40,920	728,806	129,096	827,902	391,872	2,118,596
Additions	-	-	1,084	58,096	55,800	114,980
Disposals	-	-	-	-	(176,531)	(176,531)
At 31 December 2002	<u>40,920</u>	<u>728,806</u>	<u>130,180</u>	<u>885,998</u>	<u>271,141</u>	<u>2,057,045</u>



## NOTES TO THE ACCOUNTS - 31 DECEMBER 2002 (CONTINUED)

### 6 TANGIBLE ASSETS (CONTINUED)

	Investment property	Freehold land and buildings	Fixtures and fittings	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£	£
<u>Accumulated depreciation</u>						
At 1 January 2002	-	183,729	71,521	678,232	296,012	1,229,494
Charge for the year	-	23,137	5,865	51,942	24,473	105,417
Disposals	-	-	-	-	(122,765)	(122,765)
At 31 December 2002	-	<u>206,866</u>	<u>77,386</u>	<u>730,174</u>	<u>197,720</u>	<u>1,212,146</u>
<u>Net book amount</u>						
At 31 December 2002	<u>40,920</u>	<u>521,940</u>	<u>52,794</u>	<u>155,824</u>	<u>73,421</u>	<u>844,899</u>
At 31 December 2001	<u>40,920</u>	<u>545,077</u>	<u>57,575</u>	<u>149,670</u>	<u>95,860</u>	<u>889,102</u>

The market value of investment properties is not considered to be materially different from the historical cost shown above.

	<u>2002</u>	<u>2001</u>
	£	£
Future capital expenditure not provided in the accounts:		
Contracts placed	-	-
Authorised by the directors but contracts not yet placed	-	-
	<u>-</u>	<u>-</u>

### 7 STOCKS

	<u>2002</u>	<u>2001</u>
	£	£
Raw materials	23,053	20,030
Work in progress	15,402	17,568
Finished goods	<u>22,297</u>	<u>17,638</u>
	<u>60,752</u>	<u>55,236</u>

The replacement cost of stocks and work in progress does not differ materially from the balance sheet amount.



## NOTES TO THE ACCOUNTS - 31 DECEMBER 2002 (CONTINUED)

### 8 DEBTORS

	<u>2002</u>	<u>2001</u>
	£	£
Trade debtors	429,267	471,826
Corporation tax recoverable	13,850	-
Other debtors (note 23)	49,229	65,383
Prepayments and accrued income	<u>3,133</u>	<u>19,136</u>
	<u>495,479</u>	<u>556,345</u>

All amounts are due within one year.

### 9 INVESTMENTS

	<u>2002</u>	<u>2001</u>
	£	£
<u>Cost</u>		
Listed on recognised stock exchange	4,946	4,946
Unlisted shares	<u>500</u>	<u>500</u>
	<u>5,446</u>	<u>5,446</u>
<u>Valuation</u>		
Listed on recognised stock exchange	3,208	4,438
Unlisted shares	<u>500</u>	<u>500</u>
	<u>3,708</u>	<u>4,938</u>

### 10 CREDITORS: amounts falling due within one year

	<u>2002</u>	<u>2001</u>
	£	£
Bank overdraft	101,471	141,783
Other loans	4,317	-
Trade creditors	74,359	101,322
Other creditors	39,249	31,060
Corporation tax payable	-	21,600
Other taxes and social security	11,114	10,674
Accruals and deferred income	<u>21,676</u>	<u>22,791</u>
	<u>252,186</u>	<u>329,230</u>



## NOTES TO THE ACCOUNTS - 31 DECEMBER 2002 (CONTINUED)

### 11 CREDITORS: amounts falling due within one year

	<u>2002</u>	<u>2001</u>
	£	£
Sundry loans	<u>6,835</u>	<u>-</u>

### 12 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>2002</u>	<u>2001</u>
	£	£
Deferred tax	<u>19,500</u>	<u>19,500</u>

The balance at 31 December 2002 represents full provision (2001 - full) and is made up as follows:

	<u>2002</u>	<u>2001</u>
	£	£
Accelerated capital allowances	27,000	19,500
Short term timing differences	<u>-</u>	<u>-</u>
	<u>27,000</u>	<u>19,500</u>

### 13 CALLED UP SHARE CAPITAL

	<u>2002</u>	<u>2001</u>
	£	£
Allotted and fully paid		
Ordinary shares of £1 each	<u>5,598</u>	<u>5,598</u>
Authorised		
Ordinary shares of £1 each	<u>8,000</u>	<u>8,000</u>

### 14 RESERVES

	<b>Capital redemption reserve</b>			<b>Profit and loss account</b>
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	£	£	£	£
At 1 January 2002	2,402	-	1,697,216	2,370,021
(Loss)/profit for the financial year	-	-	(32,213)	80,945
Purchase of own shares	-	-	-	(751,348)
Transfer between reserves	<u>-</u>	<u>2,402</u>	<u>-</u>	<u>(2,402)</u>
At 31 December 2002	<u>2,402</u>	<u>2,402</u>	<u>1,665,003</u>	<u>1,697,216</u>





## NOTES TO THE ACCOUNTS - 31 DECEMBER 2002 (CONTINUED)

### 15 CONTINGENT LIABILITIES

There were no known contingent liabilities at 31 December 2002 (2001 - nil).

### 16 DIRECTORS' EMOLUMENTS

	<u>2002</u>	<u>2001</u>
	£	£
Management services, including benefits in kind	76,696	94,072
Pension contributions	<u>19,241</u>	<u>9,620</u>
	<u>95,937</u>	<u>103,692</u>

The emoluments of the highest paid director excluding pension contributions amounted to £34,272 (2001 - £39,269).

### 17 PENSION COSTS

The company operates a number of pension schemes which are defined contribution in nature. The assets of these are invested separately from the company's funds.

The charge for the year for pension costs in the profit and loss accounts amounted to £28,541 (2001 - £27,685).

### 18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2002</u>	<u>2001</u>
	£	£
(Loss)/profit for the financial year	(22,417)	100,538
Dividend paid	(9,796)	(19,593)
Company re-purchase of shares	<u>-</u>	<u>(753,750)</u>
Net (reduction in)/addition to shareholders' funds	(32,213)	(672,805)
Opening shareholders' funds	<u>1,705,216</u>	<u>2,378,021</u>
Closing shareholders' funds	<u>1,673,003</u>	<u>1,705,216</u>

### 19 ACCRUALS AND DEFERRED INCOME

	<u>2002</u>	<u>2001</u>
	£	£
<u>Grants</u>		
Deferred credit opening balance	351,480	372,429
Capital grants received during the year	<u>-</u>	<u>-</u>
	351,480	372,429
Amounts written off to profit and loss account	<u>(20,130)</u>	<u>(20,949)</u>
	<u>331,350</u>	<u>351,480</u>



## NOTES TO THE ACCOUNTS - 31 DECEMBER 2002 (CONTINUED)

### 20 RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<u>2002</u>	<u>2001</u>
	£	£
Operating (loss)/profit	(66,201)	54,030
Depreciation	105,417	105,634
(Increase)/decrease in stock	(5,516)	(10,454)
(Increase)/decrease in debtors	73,264	(76,457)
(Decrease)/increase in creditors	(8,297)	(89,306)
Loss/(profit) on sale of fixed assets	4,466	1,506
Amortisation of capital grant	(20,130)	(20,949)
	<u>83,003</u>	<u>(35,996)</u>

### 21 ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	<u>2002</u>	<u>2001</u>
	£	£
Opening balance	(114,405)	38,542
Net cash (outflow)/inflow	<u>91,100</u>	<u>(152,947)</u>
Closing balance	<u>(23,305)</u>	<u>(114,405)</u>

### 22 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>2002</u>	<u>2001</u>	Change in year
	£	£	£
Cash at bank and in hand per balance sheet	885,286	899,555	(14,269)
Deposits of more than three months' duration	<u>(807,120)</u>	<u>(872,177)</u>	<u>(65,057)</u>
Adjusted cash at bank and in hand	78,166	27,378	50,788
Bank overdraft	<u>(101,471)</u>	<u>(141,783)</u>	<u>40,312</u>
	<u>(23,305)</u>	<u>(114,405)</u>	<u>91,100</u>

### 23 RELATED PARTIES TRANSACTIONS/TRANSACTIONS WITH DIRECTORS

Mr GA Forbes, a director of the company, is also a director of Superior Pork Limited.

William Sprott (Portadown) Limited made a loan of £33,000 to Superior Pork Limited in the financial year ended 31 December 2001. The balance remaining at 31 December 2002 after a capital repayment of £5,000 (2001 - £28,000) was £nil (2001 - £5,000). This is included in Other debtors (note 8). Loan interest of £575 (2001 - £990) in respect of the above loan was received in the financial year.

Mr GA Forbes, a director of the company, purchased a vehicle from the company at its open market value.

Mr GA Forbes operates a current account with the company. It has remained unchanged in the year.

