

**MacMillan Foods (Watton)
Limited**

Directors' report and financial statements

29 March 1997

Registered number 2930524



MacMillan Foods (Watton) Limited

Directors' report and financial statements

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MacMillan Foods (Watton) Limited

Directors' report and financial statements

Directors

AK Bowes
KD Bowes

Secretary

PR Ridgway

Registered office

Brandon Road
Watton
Norfolk
IP25 6LW

Auditors

KPMG
Holland Court
The Close
Norwich
NR1 4DY

Bankers

Barclays Bank plc
56 High Street
Watton
Norfolk

MacMillan Foods (Watton) Limited

Directors' report

The directors submit their annual report and financial statements for the period ended 29 March 1997.

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 profit or loss 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 Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Results and dividends

The loss for the period on ordinary activities after taxation amounted to £2,489 (1996:£9,273).

The directors do not propose a dividend.

Principal activity

The company's principal activity is that of holding the rights to a patent for the manufacture of pet food.

MacMillan Foods (Watton) Limited

Directors' report *(continued)*

Directors

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

	Ordinary shares of £1 each	
	29 March 1997	28 March 1996
AK Bowes	1	1
KD Bowes	1	1

Auditors

In accordance with Section 384 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


PR Ridgway
Secretary

Brandon Road
Watton
Norfolk

30 May 1997



Holland Court
The Close
Norwich
NR1 4DY

Auditors' report to the members of MacMillan Foods (Watton) Limited

We have audited the financial statements on pages 5 to 8.

Respective responsibilities of directors and auditors

As described on page 2 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 the company's affairs at 29 March 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to be 'W. M. G.', written over the KPMG logo.

KPMG
Chartered Accountants
Registered Auditors

30 May 1997

MacMillan Foods (Watton) Limited

Profit and loss account

for the period 29 March 1996 to 29 March 1997

	<i>Note</i>	29 March 1997 £	28 March 1996 £
Administrative expenses		<u>(2,489)</u>	<u>(9,273)</u>
Loss on ordinary activities before and after taxation	2-4	(2,489)	(9,273)
Accumulated loss brought forward		<u>(9,273)</u>	<u>-</u>
Accumulated loss carried forward		<u>£(11,762)</u>	<u>£(9,273)</u>

There are no recognised gains and losses for the period other than the loss on ordinary activities after tax.

The notes on pages 7 and 8 form part of these financial statements.

MacMillan Foods (Watton) Limited

Balance sheet at 29 March 1997

	Note	29 March 1997 £	28 March 1996 £
Current assets			
Debtors	5	2	2
Creditors: amounts falling due within one year	6	<u>(11,762)</u>	<u>(9,273)</u>
Net liabilities		<u>£(11,760)</u>	<u>£(9,271)</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		<u>(11,762)</u>	<u>(9,273)</u>
Shareholders' funds	9	<u>£(11,760)</u>	<u>£(9,271)</u>

The financial statements were approved by the board of directors on 30 May 1997 and were signed on its behalf by:

AK Bowes)

KD Bowes)

AK. Bowes
Directors
KD. Bowes

The notes on pages 7 and 8 form part of these financial statements.

MacMillan Foods (Watton) Limited

Notes

(forming part of the financial statements)

1 Principal 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 accounting

The financial statements have been prepared in accordance with applicable accounting standards.

The company is exempt from the requirement under FRS1 to prepare a cash flow statement on the grounds that it qualifies under Sections 246 to 249 of the Companies Act 1985 as a small sized company.

Deferred taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging the following:

	29 March 1997	28 March 1996
	£	£
Directors' emoluments	-	-
Auditors' remuneration and expenses:		
Audit	-	-
Non audit	-	-
	<u> </u>	<u> </u>

3 Staff numbers and costs

The average weekly number of employees (including directors) during the period was 2 (1996:2).

The aggregate payroll costs of these persons was £Nil (1996:£Nil).

4 Taxation

The company has tax losses of £11,762 to carry forward.

5 Debtors

	29 March 1997	28 March 1996
Amount due from directors	£2	£2
	<u> </u>	<u> </u>

MacMillan Foods (Watton) Limited

Notes (continued)

6 Creditors: amounts falling due within one year

	29 March 1997	28 March 1996
Company under common control	<u>£11,762</u>	<u>£9,273</u>

The above relates to Bowes of Norfolk Limited, a company in which AK Bowes and KD Bowes are directors and shareholders.

7 Share capital

	29 March 1997	28 March 1996
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>£2</u>	<u>£2</u>

8 Contingent liabilities

The company has guaranteed the overdrafts and bank loans of GD Bowes & Sons Limited, Bowes Farms Limited, Bowes of Norfolk Limited and Hilborough Mill Foods Limited, all companies under common control. At 29 March 1997, these amounted to £4,158,120 (28 March 1996: £8,306,888).

9 Reconciliation of movements in shareholders' funds

	29 March 1997 £	28 March 1996 £
Loss for period	(2,489)	(9,273)
Opening shareholders' funds	<u>(9,271)</u>	<u>2</u>
Closing shareholders' funds	<u>£(11,760)</u>	<u>£(9,271)</u>

10 Related party transactions

MacMillan Foods (Watton) Limited owns the rights to a patent which has been exploited by MacMillan Foods Limited, a company under common control. There has been no charge for the use of the patent and MacMillan Foods Limited ceased to manufacture the related product during the year.