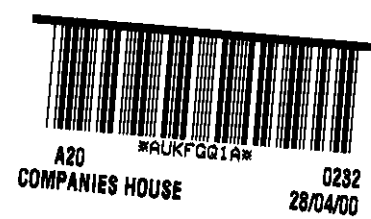


REGISTERED NUMBER
1838819
England and Wales

B TICKLE & SONS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
30 JUNE 1999



B Tickle & Sons Limited

DIRECTORS	A E Tickle Mrs E M Tickle
SECRETARY	A E Tickle
REGISTERED OFFICE	26 Green End Lane Peasley Cross St Helens Merseyside
REGISTERED NUMBER	1838819 England and Wales
AUDITORS	Edmund Shew & Co Chartered Accountants 35 Westfield Street St Helens Merseyside WA10 1QD
BANKERS	National Westminster Bank Plc Ormskirk Street St Helens Merseyside
SOLICITORS	Messrs Dibb Lupton Alsop India Buildings Water Street Liverpool Merseyside

Report and Accounts - 30 June 1999

Pages	1&2	Report of the Directors
	3	Report of the Auditors
		Accounts, comprising
	4	Profit and loss account
	5	Statement of total recognised gains and losses
	6	Balance Sheet
	7	Statement of Cash Flows
	8-13	Notes to the Accounts

B Tickle & Sons Limited

REPORT OF THE DIRECTORS

The directors present their report with the accounts of the company for the year ended 30 June 1999.

The loss for the year after taxation amounted to £4322. The directors do not recommend that any dividends be paid.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company in the year under review remained that of general agricultural produce millers, grinders and merchants. Continuing difficulties in the animal feed trade have once again resulted in anticipated turnover and profitability not being achieved. In addition, the company suffered a serious fire at its works on 9 June 1998, but from which it has made a satisfactory recovery.

FUTURE DEVELOPMENTS

The directors' management policies are to maintain the growth of the company as a result of new and improved production facilities. Despite the difficulties encountered during the year, this restructuring is expected to ensure the company's return to profitability and also to ensure that the company continues to operate as a going concern.

FIXED ASSETS

The changes in tangible fixed assets related to the addition of further small items of plant and equipment. The company's property revaluation is also reflected in these Accounts.

Details of the company's fixed assets are in notes 8 and 9 of the Accounts.

EVENTS SINCE THE BALANCE SHEET DATE

The company's stability has been maintained despite adverse market conditions and public opinion connected with the animal feed trade.

DIRECTORS

The directors in office in the period and their beneficial interests in the company's issued ordinary share capital were as follows:

	<u>30 June 1999</u>	<u>1 July 1998</u>
A E Tickle	94000	94000
Mrs E M Tickle	None	None

B Tickle & Sons Limited

REPORT OF THE DIRECTORS CONTINUED

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 of the company for that period. In preparing those accounts, the directors are required to:

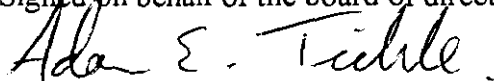
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts comply with the Companies Act 1985. 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.

AUDITORS

The auditors, Edmund Shew & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the board of directors



A E Tickle

Director

Approved by the board 27 April 2000

Auditors' Report to the Shareholders of B Tickle & Sons Limited

We have audited the accounts on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies as set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

FUNDAMENTAL UNCERTAINTY

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the ability of the company to meet its liabilities as they fall due, this being dependent on the continued support of its bankers. The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available. The financial statements do not include any adjustments which would result from a failure to obtain such funding. Our opinion is not qualified in this respect.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 June 1999 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



27 April 2000

35 Westfield Street
St Helens

EDMUND SHEW & CO
Chartered Accountants
and Registered Auditors

B Tickle & Sons LimitedProfit and loss account for the year ended 30 June 1999

	<u>Notes</u>	1999 £	1998 £
TURNOVER	2	2370686	3875473
Cost of sales		(2017752)	(3580142)
GROSS PROFIT		352934	295331
Distribution costs		(84120)	(110258)
Administrative expenses		(201497)	(202807)
OPERATING PROFIT/(LOSS)	3	67317	(17734)
Interest Received and Property Income		1674	3
Profit/(Loss) on Ordinary Activities before Interest Payable		68991	(17731)
Interest payable	6	(58422)	(61463)
PROFIT/(LOSS) on ordinary activities before taxation		10569	(79194)
TAX on Profit on ordinary activities	7	(14891)	4528
(LOSS) for the financial year after taxation		(4322)	(74666)
DIVIDENDS paid		-	-
RETAINED (LOSS) for the financial year		(4322)	(74666)
RETAINED (LOSS) at 30 June 1998		(186252)	(111586)
RETAINED (LOSS) at 30 June 1999		(190574)	(186252)

Statement of Continuing Operations for the year ended 30 June 1999

None of the company's activities were acquired or discontinued during the above two financial periods.

The notes on pages 8 to 13 form part of these financial statements.

B Tickle & Sons Limited

Statement of Total Recognised Gains and Losses for the Year Ended 30 June 1999

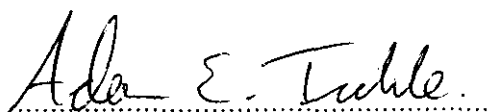
	1999 £	1998 £
Loss for the financial period after taxation	(4322)	(74666)
Unrealised surplus on revaluation of property	120000	-
Total recognised gains/(losses) relating to the period	115678	(74666)

B Tickle & Sons Limited

Balance Sheet - 30 June 1999

	<u>Notes</u>	1999 £	1998 £
FIXED ASSETS			
Intangible assets	8	1	1
Tangible assets	9	938892	914834
		<u>938893</u>	<u>914835</u>
CURRENT ASSETS			
Stocks	10	57065	63338
Debtors	11	289428	286302
Cash in hand	12	42	13
		<u>346535</u>	<u>349653</u>
CREDITORS: amounts falling due within one year	13	<u>(722655)</u>	<u>(788793)</u>
NET CURRENT LIABILITIES		<u>(376120)</u>	<u>(439140)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>562773</u>	<u>475695</u>
CREDITORS: amounts falling due after more than one year	14	<u>(335843)</u>	<u>(379334)</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred Taxation	19	<u>(46584)</u>	<u>(31693)</u>
NET ASSETS		<u>180346</u>	<u>64668</u>
CAPITAL AND RESERVES			
Called up share capital	15	94000	94000
Profit and loss account		(190574)	(186252)
Revaluation Reserve	18	270920	150920
Capital Redemption Reserve	20	6000	6000
SHAREHOLDERS' FUNDS (all equity)	16	<u>180346</u>	<u>64668</u>

The financial statements were approved by the board of Directors on 27 April 2000 and signed on its behalf.



A E Tickle
Director

The notes on pages 8 to 13 form part of these financial statements.

B Tickle & Sons Limited

Cashflow Statement for the year ended 30 June 1999

	1999	1998	
	£	£	
<u>Reconciliation of Operating Profit to net cash inflow from Operating Activities</u>			
Operating Profit/(Loss)	67317	(17734)	
Depreciation Charges	97669	135272	
Decrease in Stocks	6273	12188	
(Increase)/Decrease in Debtors	(3126)	43999	
Decrease in Creditors	(137695)	(106245)	
Net Cash Inflow from operating activities	30438	67480	
<u>Cashflow Statement</u>			
Net Cash Inflow from operating activities	30438	67480	
Returns on investments and servicing of finance (Note a)	(56748)	(61460)	
Taxation	-	-	
Capital Expenditure	(1727)	921	
(Decrease)/Increase in Cash	(28037)	6941	
<u>Reconciliation of net cashflow to movement in net debt (Note b)</u>			
(Decrease)/Increase in Cash in Period	(28037)	6941	
Change in net debt	(28037)	6941	
<u>Note a - Gross Cashflows</u>			
Returns on investments and servicing of finance			
Interest and Rent Received	1674	3	
Interest Paid	(58422)	(61463)	
	(56748)	(61460)	
<u>Capital Expenditure</u>			
Payments to acquire tangible fixed assets	(1727)	(5329)	
Receipts from sales of tangible fixed assets	-	6250	
	(1727)	921	
<u>Financing</u>			
Issue of Ordinary Share Capital	-	-	
Repurchase of Own Shares by Company	-	-	
	-	-	
<u>Note b - Analysis of changes in Net Debt</u>			
	At 1/7/98	Cashflows	At 30/6/99
Cash in Hand	13	(29)	42
Overdrafts	(240101)	1992	(242093)
Debt due within one year	(30000)	2500	(32500)
Debt due after one year	(270000)	(32500)	(237500)
		(28037)	

B Tickle & Sons Limited

Notes to the Accounts - 30 June 1999

1 ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Going Concern

The accounts have been prepared on the basis that the company continues to operate as a going concern. This in turn is dependent upon the continued support of the company's bankers.

Turnover

Turnover represents net invoiced sales of goods, excluding VAT.

Intangible Fixed Assets and Amortisation

Goodwill is the difference between the amount paid on the acquisition of the trading assets of Special Milling Ltd and the aggregate fair value of the separable net assets. It is not being amortised.

Tangible fixed assets

These are recorded at cost with the exception of Land and Buildings which were further revalued during the year.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Land and Buildings	2% on cost on straight line basis on revalued amount
Plant and Machinery etc	15% and 25% both on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items, on a first-in, first-out basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred to disposal.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Pension Costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the period in which they are payable to the scheme. Contributions to the Director's self administered scheme are similarly charged.

B Tickle & Sons LimitedNotes to the accounts - 30 June 1999 continued

2	TURNOVER		
	Turnover is attributable to one continuing activity, that of general agricultural produce millers, grinders and merchants. An analysis of turnover by geographical market is given below		
		1999	1998
		£	£
	United Kingdom	2334884	3830540
	Malta and the Falklands	35802	44933
		2370686	3875473
	All the company's sale transactions are conducted in sterling currency.		
3	OPERATING PROFIT	1999	1998
	The operating Profit (1998 - Loss) is stated after charging:	£	£
	Depreciation of owned tangible fixed assets	78577	113392
	Depreciation of assets held under hire purchase contracts	8400	13428
	Amortisation of Land and Buildings	10692	8452
	Auditors' remuneration	16431	15545
	Directors' pension fund contributions	NIL	NIL
4	DIRECTORS EMOLUMENTS	1999	1998
		£	£
	Fees	-	-
	Other Emoluments	26004	27282
		26004	27282
	Benefits in Kind	6341	7693
		32345	34975
5	STAFF COSTS	1999	1998
		£	£
	Wages and Salaries	106566	129271
	Social Security Costs	11616	14091
	Other Pension Costs	3703	3440
		121885	146802
	The average weekly number of employees excluding directors during the year was as follows:-	1999	1998
	Administration	4	6
	Manufacturing	6	6
		10	12

B Tickle & Sons Limited

Notes to the accounts - 30 June 1999 continued

6	INTEREST PAYABLE	1999 £	1998 £
	Bank Overdraft	20835	47384
	Bank Loan not wholly repayable within five years	25490	3622
	Other loans not wholly repayable within five years.	9850	8213
	Finance charges payable under hire purchase contracts	2247	2244
		58422	61463
7	TAX ON PROFIT ON ORDINARY ACTIVITIES	1999 £	1998 £
	Based on Profit for the Period	-	-
	Transfer (to)/from Deferred Taxation	(14891)	4528
		(14891)	4528
8	INTANGIBLE FIXED ASSETS		Goodwill £
	Cost		
	At 1 July 1998		1
	Additions		-
	Disposals		-
	At 30 June 1999		1
	Amortisation		
	At 1 July 1998		-
	On disposals		-
	Charge for the year		-
	At 30 June 1999		-
	Net book values		
	At 30 June 1999		1
	At 30 June 1998		1

B Tickle & Sons Limited

Notes to the Accounts - 30 June 1999 continued

9 TANGIBLE FIXED ASSETS

Cost/Valuation

At 1 July 1998

Revaluation

Additions

Disposals

At 30 June 1999

Depreciation

At 1 July 1998

On disposals

Charge for year

At 30 June 1999

Net book values

At 30 June 1999

At 30 June 1998

Land & Buildings	Plant & Machinery Etc	Total
£	£	£
430000	1228080	1658080
120000	-	120000
-	1727	1727
-	-	-
550000	1229807	1779807
31332	711914	743246
-	-	-
10692	86977	97669
42024	798891	840915
507976	430916	938892
398668	516166	914834

The net book value of plant and machinery above includes an amount of £25160 (1998 £33560) in respect of assets held under hire purchase contracts.

The company's property was further revalued on 25 June 1999 by Messrs Johnathan Kersh Commercial, Commercial Chartered Surveyors, of Cotton House, The Cotton Exchange Building, Old Hall Street, Liverpool at £550,000.

The property is held under a lease of 999 years commencing in 1945 at a non-renewable peppercorn rental. The valuation is based on a long leasehold basis with vacant possession. On the historical cost basis the premises would have been included at a value of £279080. The cumulative depreciation based on cost at 30 June 1999 would have been £27708.

10 STOCKS

Stocks for Resale

Consumables

1999
£

51165

5900

57065

1998
£

60338

3000

63338

11 DEBTORS

Trade debtors

Other Debtors

Amounts owed by associated companies

Prepayments

1999
£

159561

82462

1367

46038

289428

1998
£

184422

52616

1646

47618

286302

B Tickle & Sons LimitedNotes to the Accounts - 30 June 1999 continued

12 ANALYSIS OF CHANGES IN NET DEBT

	1999 £	1998 £
At 1 July		
Cash in Hand	13	42
Bank Overdraft	(540101)	(533189)
	(540088)	(533147)
Net Cash (Outflow)/Inflow	(28037)	6941
At 30 June		
Cash in Hand	42	13
Bank Overdraft	(512093)	(540101)
	(512051)	(540088)
13 CREDITORS: amounts falling due within one year	1999 £	1998 £
Bank Loan (secured)	32500	30000
Bank overdraft (secured)	242093	240101
Trade creditors	364045	410983
Other creditors	39926	55975
Directors' pension fund loan	12000	12000
Hire purchase obligations	11257	13129
Taxation and social security	4655	6176
Accruals	16179	20429
	722655	788793

The bank borrowing is secured by a floating charge over the assets of the company, plus the personal guarantees of various of the directors. The borrowing is repayable on demand. The hire purchase contracts are secured on the assets concerned.

	1999 £	1998 £
14 CREDITORS: amounts falling due after more than one year		
Bank Loan Account	237500	270000
Hire purchase obligations	10343	21334
Directors Pension Fund Loan	88000	88000
Debt due after more than one year	335843	379334
Bank Loan Account		
Between 1 - 2 years	32500	30000
Between 2 - 5 years	130000	120000
In 5 years or more (repayable at £32500 per annum plus interest at 2.5% above clearing bank base rate)	75000	120000
	237500	270000
Hire Purchase repayable as follows in instalments:-		
Between 1 - 2 years	8161	10986
Between 2 - 5 years	2182	10348
	10343	21334
Directors Pension Fund Loan repayable as follows in instalments:-		
Between 1 - 2 years	12000	12000
Between 2 - 5 years	36000	36000
In 5 years or more (repayable at £12000 per annum, plus interest at 3% above Clearing Bank Base Rate)	40000	40000
	88000	88000

The bank borrowing is secured by a floating charge over the assets of the company, plus the personal guarantees of various of the directors. The borrowing is repayable on demand. The hire purchase contracts are secured on the assets concerned.

B Tickle & Sons Limited

Notes to the Accounts - 30 June 1999 continued

15	CALLED UP SHARE CAPITAL	1999 £	1998 £
	Authorised Ordinary Shares of £1 each	144000	144000
	Allotted, Called Up and Fully Paid Ordinary Shares of £1 each	94000	94000
16	RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS	1999 £	1998 £
	(Loss) for the financial year after taxation	(4322)	(74666)
	Other recognised gains relating to the year	120000	-
	Opening Shareholders' funds at 1 July 1998	64668	139334
	Closing Shareholders' funds at 30 June 1999	180346	64668
17	COMMITMENTS		
	Pension Commitments		
	The company operates two pension schemes; a defined contribution pension scheme on behalf of certain of its employees and a self administered scheme on behalf of certain of its directors. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions are paid based upon the recommendations of qualified actuaries. The annual commitments under these schemes are variable.		
18	REVALUATION RESERVE	1999 £	1998 £
	Surplus on revaluation of property		
	At 1 July 1998	150920	150920
	Surplus on Revaluation	120000	-
	At 30 June 1999	270920	150920
19	DEFERRED TAXATION	1999 £	1998 £
	At 1 July 1998	31693	36221
	Provision on Revaluation of Property	14891	-
	Transfer from Deferred Taxation	-	(4528)
	At 30 June 1999	46584	31693
20	CAPITAL REDEMPTION RESERVE	1999 £	1998 £
	At 1 July 1998	6000	6000
	At 30 June 1999	6000	6000