

REGISTERED NUMBER
1838819
England and Wales

B TICKLE & SONS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
30 JUNE 1998



B Tickle & Sons Limited

DIRECTORS	A E Tickle Mrs E M Tickle
SECRETARY	Mrs A M Tickle
REGISTERED OFFICE	35 Westfield Street St Helens Merseyside WA10 1QD
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

Directors' Report and Accounts - 30 June 1998

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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 1998.

The loss for the year after taxation amounted to £74666. 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 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. Furthermore with its recently increased production capacity the company is in a good position to take advantage of any general improvement in the trade.

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.

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 1998</u>	<u>1 July 1997</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 29 June 1999

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 1998 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



29 June 1999

35 Westfield Street
St Helens

EDMUND SHEW & CO
Chartered Accountants
and Registered Auditors

B Tickle & Sons Limited**Profit and loss account for the year ended 30 June 1998**

	<u>Notes</u>	Year 1998 £	Period 1997 £
TURNOVER	2	3875473	2566916
Cost of sales		(3580142)	(2443723)
GROSS PROFIT		295331	123193
Distribution costs		(110258)	(53641)
Administrative expenses		(202807)	(144131)
OPERATING (LOSS)	3	(17734)	(74579)
Profit on disposal of fixed assets		-	608
Interest Received and Property Income		3	4
Interest payable	6	(61463)	(27529)
(LOSS) on ordinary activities before taxation		(79194)	(101496)
TAX on Profit on ordinary activities	7	4528	-
(LOSS) for the financial year after taxation		(74666)	(101496)
DIVIDENDS paid		-	-
RETAINED (LOSS) for the financial year		(74666)	(101496)
RETAINED (LOSS) at 30 June 1997		(111586)	(10090)
RETAINED (LOSS) at 30 June 1998		(186252)	(111586)

Statement of Continuing Operations for the year ended 30 June 1998

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 1998

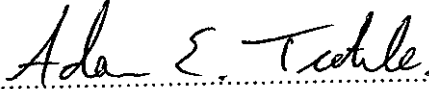
	Year 1998 £	Period 1997 £
Loss for the financial period after taxation	(74666)	(101496)
Total recognised (losses)/gains relating to the period	(74666)	(101496)

B Tickle & Sons Limited

Balance Sheet - 30 June 1998

	<u>Notes</u>	Year 1998 £	Period 1997 £
FIXED ASSETS			
Intangible assets	8	1	1
Tangible assets	9	914834	1051027
		914835	1051028
CURRENT ASSETS			
Stocks	10	63338	75526
Debtors	11	286302	330301
Cash in hand	12	13	42
		349653	405869
CREDITORS: amounts falling due within one year	13	(788793)	(1159144)
NET CURRENT LIABILITIES		(439140)	(753275)
TOTAL ASSETS LESS CURRENT LIABILITIES		475695	297753
CREDITORS: amounts falling due after more than one year			
Bank Loan	14	(379334)	(122198)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred Taxation	19	(31693)	(36221)
NET ASSETS		64668	139334
CAPITAL AND RESERVES			
Called up share capital	15	94000	94000
Profit and loss account		(186252)	(111586)
Revaluation Reserve	18	150920	150920
Capital Redemption Reserve	20	6000	6000
SHAREHOLDERS' FUNDS (all equity)	16	64668	139334

The financial statements were approved by the board of Directors on 29 June 1999 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 1998

	Year 1998		Period 1997	
	£	£	£	£
<u>Reconciliation of Operating Profit to net cash inflow from Operating Activities</u>				
Operating Loss		(17734)		(74579)
Depreciation Charges		135272		67576
Decrease in Stocks		12188		40650
Decrease in Debtors		43999		442069
Decrease in Creditors		(106245)		(546478)
Net Cash Inflow/(Outflow) from operating activities		67480		(70762)
<u>Cashflow Statement</u>				
Net Cash Inflow/(Outflow) from operating activities		67480		(70762)
Returns on investments and servicing of finance (Note a)		(61460)		(27525)
Taxation		-		-
Capital Expenditure		921		(40733)
Increase/(Decrease) in Cash		6941		(139020)
<u>Reconciliation of net cashflow to movement in net debt (Note b)</u>				
Increase/(Decrease) in Cash in Period		6941		(139020)
Change in net debt		6941		(139020)
<u>Note a - Gross Cashflows</u>				
Returns on investments and servicing of finance				
Interest Received	3		4	
Interest Paid	(61463)	(61460)	(27529)	(27525)
<u>Capital Expenditure</u>				
Payments to acquire tangible fixed assets	(5329)		(53907)	
Receipts from sales of tangible fixed assets	6250	921	13174	(40733)
<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 1/7/97	Cashflows	At 30/6/98
Cash in Hand		42	29	13
Overdrafts		(533189)	(293088)	(240101)
Debt due within one year		-	30000	(30000)
Debt due after one year		-	270000	(270000)
			6941	

B Tickle & Sons Limited

Notes to the Accounts - 30 June 1998

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 revalued during the year ended 31 December 1996

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 Limited

Notes to the accounts - 30 June 1998 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

United Kingdom

Malta and the Falklands

All the company's sale transactions are conducted in sterling currency.

3 OPERATING LOSS

The operating Loss (1997 - Loss) is stated after charging:

Depreciation of owned tangible fixed assets

Depreciation of assets held under hire purchase contracts

Amortisation of Land and Buildings

Auditors' remuneration

Directors' pension fund contributions

4 DIRECTORS EMOLUMENTS

Fees

Other Emoluments

Benefits in Kind

5 STAFF COSTS

Wages and Salaries

Social Security Costs

Other Pension Costs

The average weekly number of employees excluding directors during the year was as follows:-

Administration

Manufacturing

Year 1998 £	Period 1997 £
3830540	2544217
44933	22699
3875473	2566916
Year 1998 £	Period 1997 £
113392	56712
13428	6714
8452	4150
15545	9093
NIL	NIL
Year 1998 £	Period 1997 £
-	-
27282	13852
27282	13852
7693	2280
34975	16132
Year 1998 £	Period 1997 £
117503	61957
25859	13636
3440	2163
146802	77756
Year 1998 No	Period 1997 No
6	6
6	7
12	13

B Tickle & Sons LimitedNotes to the accounts - 30 June 1998 continued

6 INTEREST PAYABLE

Bank Overdraft	47384	20794
Bank Loan not wholly repayable within five years	3622	-
Other loans not wholly repayable within five years	8213	5287
Finance charges payable under hire purchase contracts	2244	1126
Interest Inland Revenue	-	322
	<u>61463</u>	<u>27529</u>

Year 1998	Period 1997
£	£

47384	20794
3622	-
8213	5287
2244	1126
-	322
<u>61463</u>	<u>27529</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

Based on Profit for the Period	-	-
Transfer from Deferred Taxation	4528	-
	<u>4528</u>	<u>-</u>

Year 1998	Period 1997
£	£

-	-
4528	-
<u>4528</u>	<u>-</u>

8 INTANGIBLE FIXED ASSETS

Cost		Goodwill £
At 1 July 1997		1
Additions		-
Disposals		-
At 30 June 1998		<u>1</u>
Amortisation		
At 1 July 1997		-
On disposals		-
Charge for the year		-
At 30 June 1998		<u>-</u>
Net book values		
At 30 June 1998		<u>1</u>
At 30 June 1997		<u>1</u>

Goodwill £

1
-
-
<u>1</u>

-
-
-
<u>-</u>
<u>1</u>
<u>1</u>

B Tickle & Sons Limited

Notes to the Accounts - 30 June 1998 continued

9 TANGIBLE FIXED ASSETS

Cost/Valuation
 At 1 July 1997
 Revaluation
 Additions
 Disposals
 At 30 June 1998
 Depreciation
 At 1 July 1997
 On disposals
 Charge for year
 At 30 June 1998
 Net book values
 At 30 June 1998
 At 30 June 1997

Land & Buildings £	Plant & Machinery Etc £	Total £
430000	1229001	1659001
-	-	-
-	5329	5329
-	(6250)	(6250)
430000	1228080	1658080
22880	585094	607974
-	-	-
8452	126820	135272
31332	711914	743246
398668	516166	914834
407120	643907	1051027

The net book value of plant and machinery above includes an amount of £33560 (1997 £46988) in respect of assets held under hire purchase contracts. The Land and Buildings were revalued on 18 June 1996 by Messrs Edward Symmons & Partners, Consultant Surveyors, Valuers and Auctioneers of Liverpool at £430000. 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 1998 would have been £22642.

The company's property was further revalued on the same basis 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. This revaluation will be reflected in the company's 1999 Accounts.

10 STOCKS

Stocks for Resale
 Consumables

Year 1998 £	Period 1997 £
60338	72526
3000	3000
63338	75526

11 DEBTORS

Trade debtors
 Other Debtors
 Amounts owed by associated companies
 Prepayments

Year 1998 £	Period 1997 £
184422	262236
52616	7940
1646	1933
47618	58192
286302	330301

B Tickle & Sons Limited

Notes to the Accounts - 30 June 1998 continued

12 ANALYSIS OF CHANGES IN NET DEBT

At 1 July/(1 January)

Cash in Hand

Bank Overdraft

Net Cash Inflow/(Outflow)

At 30 June

Cash in Hand

Bank Overdraft

13 CREDITORS: amounts falling due within one year

Bank Loan (secured)

Bank overdraft (secured)

Trade creditors

Other creditors

Directors' pension fund loan

Hire purchase obligations

Taxation and social security

Accruals

Corporation Tax - Schedule F Tax

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.

14 CREDITORS: amounts falling due after more than one year

Bank Loan Account

Hire purchase obligations

Directors Pension Fund Loan

Debt due after more than one year

Bank Loan Account

Between 1 - 2 years

Between 2 - 5 years

In 5 years or more (repayable at £30000 per annum plus interest at 2.5% above clearing bank base rate)

Hire Purchase repayable as follows in instalments:-

Between 1 - 2 years

Between 2 - 5 years

Directors Pension Fund Loan repayable as follows in instalments:-

Between 1 - 2 years

Between 2 - 5 years

In 5 years or more (repayable at £12000 per annum, plus interest at 3% above Clearing Bank Base Rate)

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.

	Year 1998 £	Period 1997 £
At 1 July/(1 January)		
Cash in Hand	42	789
Bank Overdraft	(533189)	(394916)
	(533147)	(394127)
Net Cash Inflow/(Outflow)	6941	(139020)
At 30 June		
Cash in Hand	13	42
Bank Overdraft	(540101)	(533189)
	(540088)	(533147)
	Year 1998 £	Period 1997 £
Bank Loan (secured)	30000	-
Bank overdraft (secured)	240101	533189
Trade creditors	410983	479595
Other creditors	55975	98807
Directors' pension fund loan	12000	12000
Hire purchase obligations	13129	13129
Taxation and social security	6176	5159
Accruals	20429	17265
Corporation Tax - Schedule F Tax	-	-
	788793	1159144
	Year 1998 £	Period 1997 £
Bank Loan Account	270000	-
Hire purchase obligations	21334	34198
Directors Pension Fund Loan	88000	88000
Debt due after more than one year	379334	122198
Bank Loan Account		
Between 1 - 2 years	30000	-
Between 2 - 5 years	120000	-
In 5 years or more (repayable at £30000 per annum plus interest at 2.5% above clearing bank base rate)	120000	-
	270000	-
Hire Purchase repayable as follows in instalments:-		
Between 1 - 2 years	10986	13128
Between 2 - 5 years	10348	21070
	21334	34198
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

B Tickle & Sons Limited

Notes to the Accounts - 30 June 1998 continued

	Year 1998 £	Period 1997 £
15 CALLED UP SHARE CAPITAL		
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		
(Loss) for the financial year after taxation	(74666)	(101496)
Opening Shareholders' funds at 1 July 1997 (1 January 1997)	139334	240830
Closing Shareholders' funds at 30 June 1998 (30 June 1997)	64668	139334
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		
Surplus on revaluation of property		
At 1 July 1997 (1 January 1997)	150920	150920
At 30 June 1998 (30 June 1997)	150920	150920
19 DEFERRED TAXATION		
At 1 July 1997 (1 January 1997)	36221	36221
Transfer from Deferred Taxation	(4528)	-
At 30 June 1998 (30 June 1997)	31693	36221
20 CAPITAL REDEMPTION RESERVE		
At 1 July 1997 (1 January 1997)	6000	6000
At 30 June 1998 (30 June 1997)	6000	6000