

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004
FOR
BODDINGTONS LIMITED



BODDINGTONS LIMITED

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FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

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BODDINGTONS LIMITED

COMPANY INFORMATION

FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

DIRECTORS: J P Warner
Mrs S J Reveley
Mrs M M Instone
D C Fazel

SECRETARY: Mrs S J Reveley

REGISTERED OFFICE: Boddingtons House
Blackwater Trading Estate
The Causeway
Maldon
Essex
CM9 4GG

REGISTERED NUMBER: 1589762

AUDITORS: Parry & Co,
Chartered Accountants
Registered Auditors
The Mill, Stortford Road
Hatfield Heath
Hertfordshire
CM22 7DL

BODDINGTONS LIMITED

REPORT OF THE DIRECTORS
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

The directors present their report with the financial statements of the company for the period 1st January 2003 to 30th June 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of manufacturers of and distributors of printed warning tapes and extruded plastic products.

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements.

Following the relocation to larger premises in 2002 and the resulting negative effect on profitability the company has achieved a return to profitability for the period to June 2004 as forecast. These accounts reflect an 18 month period as the year end has been extended by 6 months to 30th June 2004, in preparation for consolidation with Boddingtons Australia Pty Ltd, with effect from 1st July 2004.

The company is committed to growth and expansion, both in the UK and Worldwide, and long term aims included continued investment in new technology.

DIVIDENDS

No interim dividends were paid during the period ended 30th June 2004.

The directors recommend final dividends per share as follows:

Ordinary Shares £1 shares	40p
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The total distribution of dividends for the period ended 30th June 2004 will be £10,673.

RESEARCH AND DEVELOPMENT

Research and development costs are charged to profit and loss account as they arise.

DIRECTORS

The following were in office during the period:

J P Warner esq
Mrs S J Reveley
Mrs M Instone
D C Fazel esq
A W Butler esq (resigned 25/6/2004)

The directors have an interest in the Ordinary issued Share Capital of the company by virtue of their ownership of Boddingtons International Limited a company that has a controlling interest in the issued Share Capital of Boddingtons Limited.

BODDINGTONS LIMITED

REPORT OF THE DIRECTORS
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

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

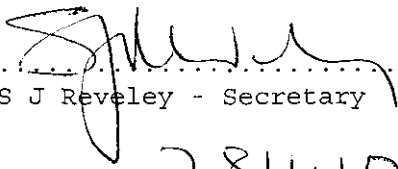
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

ON BEHALF OF THE BOARD:


.....
Mrs S J Reveley - Secretary

Date: 28/4/05

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
BODDINGTONS LIMITED

We have audited the financial statements of BODDINGTONS LIMITED for the period ended 30th June 2004 on pages six to twenty. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on pages two and three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Act 1985. We also report to you if, in our opinion, the Report of the Directors 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.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
BODDINGTONS LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Parry-Co

Parry & Co,
Chartered Accountants
Registered Auditors
The Mill, Stortford Road
Hatfield Heath
Hertfordshire
CM22 7DL

Date: *20/4/05*

BODDINGTONS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

		PERIOD 1.1.03 TO 30.6.04 ----- £	YEAR ENDED 31.12.02 ----- £
TURNOVER		7,618,806	4,425,205
Cost of sales		3,926,533 -----	2,367,179 -----
GROSS PROFIT		3,692,273	2,058,026
Administrative expenses		3,472,519 ----- 219,754	1,999,673 ----- 58,353
Other operating income		24,639 -----	- -----
OPERATING PROFIT	3	244,393	58,353
Interest receivable and similar income		5 ----- 244,398	- ----- 58,353
Interest payable and similar charges	4	120,457 -----	54,960 -----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		123,941	3,393
Tax on profit on ordinary activities	5	82,262 -----	(12,798) -----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		41,679	16,191
Extraordinary items after taxation	6	- -----	(99,755) -----
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		41,679	(83,564)
Dividends	7	10,673 ----- 31,006	- ----- (83,564)
Retained profit brought forward		781,464 -----	865,028 -----
RETAINED PROFIT CARRIED FORWARD		£812,470 =====	£781,464 =====

The notes on pages 12 to 20 form part of these financial statements

BODDINGTONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current period and the loss for the previous year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

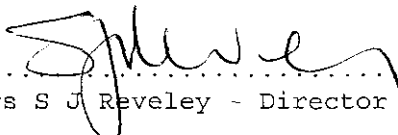
The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

BODDINGTONS LIMITED

BALANCE SHEET
30TH JUNE 2004

		2004		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		1,139,956		1,364,310
CURRENT ASSETS:					
Stocks	9	446,000		286,242	
Debtors	10	1,179,656		1,325,815	
Cash at bank		32,016		5,251	
		-----		-----	
		1,657,672		1,617,308	
CREDITORS: Amounts falling due within one year					
	11	1,491,526		1,444,510	
		-----		-----	
NET CURRENT ASSETS:			166,146		172,798
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,306,102		1,537,108
CREDITORS: Amounts falling due after more than one year					
	12		(370,977)		(715,644)
PROVISIONS FOR LIABILITIES AND CHARGES:					
	16		(82,655)		-
			-----		-----
			£852,470		£821,464
			=====		=====
CAPITAL AND RESERVES:					
Called up share capital	17		26,683		26,683
Share premium	18		13,317		13,317
Profit and loss account			812,470		781,464
			-----		-----
SHAREHOLDERS' FUNDS:	21		£852,470		£821,464
			=====		=====

ON BEHALF OF THE BOARD:

.....

 Mrs S J Reveley - Director

Approved by the Board on 28/4/05

The notes on pages 12 to 20 form part of these financial statements

BODDINGTONS LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

	Notes	PERIOD		YEAR ENDED	
		1.1.03 TO 30.6.04		31.12.02	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	1		330,965		664,592
Returns on investments and servicing of finance	2		(120,452)		(54,960)
Taxation			393		(6)
Capital expenditure	2		(56,601)		(804,705)
Equity dividends paid			(10,673)		-
			-----		-----
			143,632		(195,079)
Financing	2		(121,539)		131,798
			-----		-----
Increase/(Decrease) in cash in the period			£22,093		£(63,281)
			=====		=====

Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		22,093		(63,281)	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		384,135		(513,663)	
		-----		-----	
Change in net debt resulting from cash flows			406,228		(576,944)
			-----		-----
Movement in net debt in the period			406,228		(576,944)
Net debt at 1st January			(1,313,524)		(736,580)
			-----		-----
Net debt at 30th June			£(907,296)		£(1,313,524)
			=====		=====

The notes on pages 12 to 20 form part of these financial statements

BODDINGTONS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	PERIOD	
	1.1.03	
	TO	YEAR ENDED
	30.6.04	31.12.02
	£	£
Operating profit	244,393	58,353
Depreciation charges	281,909	101,054
Loss on sale of fixed assets	-	5,249
Profit on sale of fixed assets	(954)	-
(Increase)/Decrease in stocks	(159,758)	68,970
Decrease/(Increase) in debtors	146,159	(239,444)
Increase/(Decrease) in creditors	(180,784)	716,387
Extraordinary items	-	(45,977)
	-----	-----
Net cash inflow/(outflow) from operating activities	330,965	664,592
	=====	=====

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	PERIOD	
	1.1.03	
	TO	YEAR ENDED
	30.6.04	31.12.02
	£	£
Returns on investments and servicing of finance		
Interest received	5	-
Interest paid	(120,457)	(54,960)
	-----	-----
Net cash outflow for returns on investments and servicing of finance	(120,452)	(54,960)
	=====	=====
Capital expenditure		
Purchase of tangible fixed assets	(83,736)	(805,955)
Sale of tangible fixed assets	27,135	55,028
Extraordinary items	-	(53,778)
	-----	-----
Net cash outflow for capital expenditure	(56,601)	(804,705)
	=====	=====

The notes on pages 12 to 20 form part of these financial statements

BODDINGTONS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT -
continued

	PERIOD	
	1.1.03	YEAR ENDED
	TO	31.12.02
	30.6.04	31.12.02
	£	£
Financing		
New loan taken out in year	-	131,798
Loan repayments in year	(131,798)	-
Amount introduced by directors	10,259	-
	-----	-----
Net cash (outflow)/inflow from financing	(121,539)	131,798
	=====	=====

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.03	Cash flow	At 30.6.04
	£	£	£
Net cash:			
Cash at bank	5,251	26,765	32,016
Bank overdraft	(400,884)	(4,672)	(405,556)
	-----	-----	-----
	(395,633)	22,093	(373,540)
	-----	-----	-----
Debt:			
Hire purchase	(917,891)	384,135	(533,756)
	-----	-----	-----
	(917,891)	384,135	(533,756)
	-----	-----	-----
Total	(1,313,524)	406,228	(907,296)
	=====	=====	=====
Analysed in Balance Sheet			
Cash at bank	5,251		32,016
Bank overdraft	(400,884)		(405,556)
Hire purchase			
within one year	(202,247)		(182,779)
after one year	(715,644)		(350,977)
	-----		-----
	(1,313,524)		(907,296)
	=====		=====

The notes on pages 12 to 20 form part of these financial statements

BODDINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short Leasehold improvements- in accordance with the property
Fixtures and fittings - at varying rates on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However deferred assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. In accordance with FRS19 deferred taxation is not recognised on revaluation gains. Deferred taxation is measured on a non discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

BODDINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

2. STAFF COSTS

	PERIOD	
	1.1.03	
	TO	YEAR ENDED
	30.6.04	31.12.02
	£	£
Wages and salaries	1,456,213	908,987
Social security costs	146,382	82,208
	-----	-----
	1,602,595	991,195
	=====	=====

The average monthly number of employees during the period was as follows:

	PERIOD	
	1.1.03	
	TO	YEAR ENDED
	30.6.04	31.12.02
Office and Management	11	10
Production	30	25
Sales	8	10
	--	--
	49	45
	==	==

BODDINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	PERIOD	YEAR ENDED
	1.1.03	31.12.02
	TO	31.12.02
	30.6.04	31.12.02
	£	£
Hire of plant and machinery	17,949	11,784
Depreciation - owned assets	142,090	35,275
Depreciation - assets on hire purchase contracts	139,819	65,779
(Profit)/Loss on disposal of fixed assets	(954)	5,249
Auditors' remuneration	2,600	2,500
Operating lease rentals-property	249,301	134,821
	=====	=====
Directors' emoluments	131,207	-
Compensation to directors for loss of office	30,000	-
	=====	=====

4. INTEREST PAYABLE AND SIMILAR CHARGES

	PERIOD	YEAR ENDED
	1.1.03	31.12.02
	TO	31.12.02
	30.6.04	31.12.02
	£	£
Bank charges and interest	53,884	33,836
HP and lease charges	66,573	21,124
	-----	-----
	120,457	54,960
	=====	=====

5. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the period was as follows:

	PERIOD	YEAR ENDED
	1.1.03	31.12.02
	TO	31.12.02
	30.6.04	31.12.02
	£	£
Current tax:		
Corporation Tax recoverable	(393)	(12,798)
	-----	-----
Deferred tax:		
Deferred Taxation-current	17,532	-
Deferred Taxation-prior period	65,123	-
	-----	-----
Total deferred tax	82,655	-
	-----	-----
Tax on profit on ordinary activities	82,262	(12,798)
	=====	=====

BODDINGTONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004**

6. EXTRAORDINARY ITEMS

	PERIOD	
	1.1.03 TO 30.6.04	YEAR ENDED 31.12.02
	£	£
Charges:		
Relocation costs	-	45,977
Assets written off	-	53,778
	-----	-----
	-	99,755
	=====	=====

7. DIVIDENDS

	PERIOD	
	1.1.03 TO 30.6.04	YEAR ENDED 31.12.02
	£	£
Equity shares:		
26,683 Ordinary Shares shares of £1 each		
Final - Ordinary shares	10,673	-
	-----	-----
	10,673	-
	=====	=====

8. TANGIBLE FIXED ASSETS

	Short Leasehold improvements	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1st January 2003	112,292	1,500,248	65,897	1,678,437
Additions	7,811	75,925	-	83,736
Disposals	-	-	(45,629)	(45,629)
	-----	-----	-----	-----
At 30th June 2004	120,103	1,576,173	20,268	1,716,544
	-----	-----	-----	-----
DEPRECIATION:				
At 1st January 2003	5,615	285,141	23,371	314,127
Charge for period	20,789	251,967	9,153	281,909
Eliminated on disposals	-	-	(19,448)	(19,448)
	-----	-----	-----	-----
At 30th June 2004	26,404	537,108	13,076	576,588
	-----	-----	-----	-----
NET BOOK VALUE:				
At 30th June 2004	93,699	1,039,065	7,192	1,139,956
	=====	=====	=====	=====
At 31st December 2002	106,677	1,215,107	42,526	1,364,310
	=====	=====	=====	=====

BODDINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

8. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures and fittings	Motor vehicles	Totals
	£	£	£
COST:			
At 1st January 2003	920,604	60,166	980,770
Additions	12,990	-	12,990
Transferred to ownership	-	(60,166)	(60,166)
	-----	-----	-----
At 30th June 2004	933,594	-	933,594
	-----	-----	-----
DEPRECIATION:			
At 1st January 2003	161,701	13,726	175,427
Charge for period	139,819	-	139,819
Transferred to ownership	-	(13,726)	(13,726)
	-----	-----	-----
At 30th June 2004	301,520	-	301,520
	-----	-----	-----
NET BOOK VALUE:			
At 30th June 2004	632,074	-	632,074
	=====	=====	=====
At 31st December 2002	758,903	46,440	805,343
	=====	=====	=====

9. STOCKS

	2004	2002
	£	£
Stock and work in progress	446,000	286,242
	=====	=====

10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2004	2002
	£	£
Trade debtors	978,166	1,088,603
Sundry debtors and prepayments	67,072	88,794
Other debtors	134,418	148,418
	-----	-----
	1,179,656	1,325,815
	=====	=====

BODDINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2004	2002
	£	£
Bank loans and overdrafts (see note 13)	405,556	532,682
Hire purchase contracts (see note 14)	182,779	202,247
Trade creditors	759,644	560,160
Directors current accounts	10,259	-
Other creditors	-	76,150
Social security & other taxes	25,890	28,613
Accrued expenses	107,398	44,658
	-----	-----
	1,491,526	1,444,510
	=====	=====

12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR

	2004	2002
	£	£
Unsecured loan	20,000	-
Hire purchase contracts (see note 14)	350,977	715,644
	-----	-----
	370,977	715,644
	=====	=====

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2004	2002
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	405,556	400,884
Bank loans	-	131,798
	-----	-----
	405,556	532,682
	=====	=====

The bank loans and overdraft are secured by a mortgage debenture.

BODDINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2004 £	2002 £
Gross obligations repayable:		
Within one year	224,812	283,062
Between one and five years	425,835	630,680
In more than five years	-	204,947
	-----	-----
	650,647	1,118,689
	-----	-----
Finance charges repayable:		
Within one year	42,033	80,815
Between one and five years	74,858	119,983
	-----	-----
	116,891	200,798
	-----	-----
Net obligations repayable:		
Within one year	182,779	202,247
Between one and five years	350,977	510,697
In more than five years	-	204,947
	-----	-----
	533,756	917,891
	-----	-----

The following payments are committed to be paid within one year:

Operating leases

	Land and buildings		Other	
	2004 £	2002 £	2004 £	2002 £
Expiring:				
Within one year	9,304	-	-	-
Between one and five years	-	-	-	9,304
In more than five years	224,565	224,565	-	-
	-----	-----	-----	-----
	233,869	224,565	-	9,304
	=====	=====	=====	=====

15. SECURED DEBTS

The following secured debts are included within creditors:

	2004 £	2002 £
Bank overdrafts	405,556	400,884
Bank loans	-	131,798
	-----	-----
	405,556	532,682
	=====	=====

BODDINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

16. PROVISIONS FOR LIABILITIES AND CHARGES

	2004	2002
	£	£
Deferred taxation	82,655	-
	=====	=====
	Deferred tax	
	£	
Deferred Taxation current	17,532	
Deferred Taxation-prior years	65,123	

Balance at 30th June 2004	82,655	
	=====	

The provision for deferred taxation is made up of accelerated capital allowances less trading losses carried forward.

17. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2004	2002
			£	£
100,000	Ordinary Shares	£1	100,000	100,000
10,000	Ordinary "A" Shares	£1	10,000	10,000
			-----	-----
			110,000	110,000
			=====	=====

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2004	2002
			£	£
26,683	Ordinary Shares	£1	26,683	26,683
			=====	=====

18. SHARE PREMIUM

	2004	2002
	£	£
Brought forward	13,317	13,317
	=====	=====

19. ULTIMATE PARENT COMPANY

The company is under the control of Boddingtons International Limited a company number 3941244 incorporated in England and Wales. This company is owned by directors and guarantees have been given by Boddingtons Limited in respect of monies borrowed by Boddingtons International Limited.

BODDINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

20. **TRANSACTIONS WITH DIRECTORS**

Management fees are paid to Boddingtons International Limited a company owned by the directors.

Certain of the directors have an interest in Boddingtons Australia a company incorporated and trading in Australia. As at the balance sheet date this company owed £223,026 (£248,467 at 31/12/02) to Boddingtons Limited, included in trade debtors. Also owed was £134,418 (£148,418 at 31/12/02) included under other debtors in the balance sheet.

Subsequent to the balance sheet date Boddingtons Australia became a wholly owned subsidiary of Boddingtons Limited.

21. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2004	2002
	£	£
Profit/(Loss) for the financial period	41,679	(83,564)
Dividends	(10,673)	-
	-----	-----
Net addition/(reduction) to shareholders' funds	31,006	(83,564)
Opening shareholders' funds	821,464	905,028
	-----	-----
Closing shareholders' funds	852,470	821,464
	=====	=====
Equity interests	852,470	821,464
	=====	=====

BODDINGTONS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

	PERIOD		YEAR ENDED	
	1.1.03 TO 30.6.04		31.12.02	
	£	£	£	£
Sales		7,618,806		4,425,205
Cost of sales:				
Opening stock	286,242		355,212	
Purchases and freight	4,086,291		2,298,209	
	-----		-----	
	4,372,533		2,653,421	
Closing stock and WIP	(446,000)		(286,242)	
	-----	3,926,533	-----	2,367,179
		-----		-----
GROSS PROFIT		3,692,273		2,058,026
Other income:				
Sundry receipts	24,639		-	
Deposit account interest	5		-	
	-----	24,644	-----	-
		-----		-----
		3,716,917		2,058,026
Expenditure:				
Directors' remuneration	131,207		-	
Social security	12,567		-	
Compensation - loss of office	30,000		-	
Staff wages	1,295,006		908,987	
Social security	133,815		82,208	
Consultancy	29,286		11,034	
Telephone and fax	25,444		31,241	
Advertising, post & stationery	37,314		37,122	
Computer & website costs	27,130		25,466	
Motor and travelling	80,843		56,646	
Hire of equipment	17,949		11,784	
Staff health insurance	11,377		5,348	
Staff training	6,066		6,908	
Staff recruitment	23,395		20,794	
Staff welfare	21,038		29,674	
Sundry expenses	44,802		25,079	
Auditors remuneration	2,600		2,500	
Accountancy	11,650		6,500	
Fees and quality assurance	24,340		17,270	
Management fees	184,000		151,000	
Licence fees	20,582		13,427	
Research and development	110,357		6,573	
Commission paid	21,847		19,124	
Entertainment	3,535		6,441	
Bad debts	(35)		9,113	
Exhibition expenses	11,503		26,438	
Discounts allowed	48,058		15,486	
Rent, rates and refuse	406,408		199,369	
	-----	-----	-----	-----
Carried forward	2,772,084	3,716,917	1,725,532	2,058,026

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BODDINGTONS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1ST JANUARY 2003 TO 30TH JUNE 2004

	PERIOD		YEAR ENDED	
	1.1.03 TO 30.6.04		31.12.02	
	£	£	£	£
Brought forward	2,772,084	3,716,917	1,725,532	2,058,026
Insurance and trade indemnity	166,107		68,102	
Light & heat	104,412		36,714	
Repairs and renewals	148,961		63,022	
	-----	3,191,564	-----	1,893,370
		-----		-----
		525,353		164,656
Finance costs:				
Bank charges and interest	53,884		33,836	
HP and lease charges	66,573		21,124	
	-----	120,457	-----	54,960
		-----		-----
		404,896		109,696
Depreciation:				
Improvements to property	20,789		5,615	
Fixtures & fittings	251,967		84,293	
Motor vehicles	9,153		11,146	
	-----	281,909	-----	101,054
		-----		-----
		122,987		8,642
Profit/(Loss) on disposal of fixed assets:				
Motor vehicles		954		(5,249)
		-----		-----
NET PROFIT		£123,941		£3,393
		=====		=====

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