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COMPANY NUMBER: 985998

**MILO PLC**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2000**



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**HORWATH**  
**CLARK WHITEHILL**

*Chartered Accountants*

A member of Horwath International

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## MILO PLC

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**MILO PLC**  
**DIRECTORS AND ADVISERS**

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**DIRECTORS**

E A Oldham (Chairman)  
K Oldham  
J D Ackroyd (Managing Director)  
I C Harrison

**SECRETARY**

K Oldham

**REGISTERED OFFICE**

Irwell Vale Works  
Irwell Vale  
Ramsbottom  
Bury  
Lancs  
BL0 0QG

**BANKERS**

National Westminster Bank Plc  
Warrington Street  
Ashton-under-Lyne  
Lancashire  
OL6 6JL

**AUDITORS**

Horwath Clark Whitehill  
Arkwright House  
Parsonage Gardens  
Manchester  
M3 2LF

**MILO PLC  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2000**

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The directors have pleasure in presenting their report and the group accounts for the year ended 31 March 2000.

**PRINCIPAL ACTIVITY**

The principal activity of the group is the manufacture and distribution of soap, toiletries and gift products.

**RESULTS AND DIVIDENDS**

As shown on page 6, the group loss for the year after taxation was £970,000 (1999 - loss £530,000). The directors do not recommend the payment of a dividend.

**REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The directors are disappointed with the results for the year. The anticipated growth in turnover did not materialise. The planned program of overhead reduction was put in place, however the full benefit of this will only become effective in the current financial year. The directors anticipate that the current year results will show a significant improvement as compared to the prior year.

**DIRECTORS**

The directors who served during the year were as follows:

E A Oldham  
K Oldham  
I C Harrison  
J D Ackroyd  
B Parnell (resigned 31 January 2000)

**DIRECTORS' INTERESTS**

The directors who held office at 31 March 2000 had the following interests in shares of the company at the beginning and end of the financial year:

	<b>£1 Ordinary shares fully paid</b>	
	<b>2000</b>	<b>1999</b>
E A Oldham	<b>423,648</b>	423,648
K Oldham	<b>282,852</b>	282,852
I C Harrison	<b>4,500</b>	4,500
J D Ackroyd	-	-

None of the directors had interests in the shares of any of the subsidiary companies during the year.

There are no share options.

**MILO PLC**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2000**

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**CREDITOR PAYMENT POLICY**

Creditor days for the group at 31 March 2000 was 41 days.

The company's policy concerning the payment of all of its suppliers is to:

- a) settle the terms of payment when agreeing the terms of each transaction;
- b) ensure that payment terms are included in the relevant terms of contract; and
- c) pay in accordance with its contractual and other legal obligations.

The payment policy applies to all suppliers of revenue and capital goods and services and whenever possible subsidiaries follow the same policy.

**AUDITORS**

A resolution proposing the reappointment of Horwath Clark Whitehill as auditors to the company will be put to the members at the annual general meeting.

By order of the board



K Oldham  
Secretary

18 August 2000

**MILO PLC**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 MARCH 2000**

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The purpose of this statement is to distinguish the directors' responsibilities for the accounts from those of the auditors as stated in their report.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group at the end of the year and of the profit or loss for the group for the 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 assume that the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

**HORWATH  
CLARK WHITEHILL**

*Chartered Accountants*

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**AUDITORS' REPORT**

**TO THE SHAREHOLDERS OF**

**MILO PLC**



We have audited the accounts on pages 6 to 20 which have been prepared under the accounting policies set out on pages 11 to 13.

**Respective responsibilities of directors and auditors**

As described on page 4 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 the information in the accounts.

**Unqualified opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group at 31 March 2000 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**HORWATH CLARK WHITEHILL**  
Chartered Accountants  
and Registered Auditors

Manchester  
30 August

2000

**MILO PLC**  
**GROUP PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2000**

	Notes	2000 £000	2000 £000	1999 £000	1999 £000
<b>TURNOVER</b>					
Continuing operations	2		8,063		9,498
Cost of sales	3		<u>(6,247)</u>		<u>(7,527)</u>
<b>GROSS PROFIT</b>					
Selling and distribution costs	3		(645)		(552)
Administrative expenses	3		<u>(2,186)</u>		<u>(2,022)</u>
<b>OPERATING LOSS</b>					
Continuing operations			<u>(1,015)</u>		<u>(737)</u>
Discontinued operations			<u>-</u>		<u>134</u>
	4		(1,015)		(603)
Interest receivable and similar income		35		206	
Interest payable and similar charges	6	<u>(5)</u>		<u>(88)</u>	
			<u>30</u>		<u>118</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAX</b>					
			(985)		(485)
Tax on loss on ordinary activities	7		<u>15</u>		<u>(45)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>					
	16		<u>(970)</u>		<u>(530)</u>

The profit and loss account contains all the gains and losses recognised in the current and preceding year.

The notes on pages 11 to 20 form part of these accounts.



**MILO PLC  
GROUP BALANCE SHEET  
31 MARCH 2000**

	Notes	2000 £000	1999 restated £000
<b>FIXED ASSETS</b>			
Intangible assets	8	1	1
Tangible assets	9	3,370	3,255
Investments	10	<u>50</u>	<u>50</u>
		<u>3,421</u>	<u>3,306</u>
<b>CURRENT ASSETS</b>			
Stocks	11	2,063	2,133
Debtors	12	1,120	1,301
Cash at bank and in hand		<u>1,218</u>	<u>2,518</u>
		4,401	5,952
<b>CREDITORS:</b> amounts falling due within one year	13	<u>(1,994)</u>	<u>(2,445)</u>
<b>NET CURRENT ASSETS</b>		<u>2,407</u>	<u>3,507</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,828	6,813
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	14	<u>-</u>	<u>(15)</u>
<b>NET ASSETS</b>		<u>5,828</u>	<u>6,798</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	906	906
Share premium account	16	40	40
Revaluation reserve	16	728	728
Capital redemption reserve	16	174	174
Other reserves	16	856	856
Profit and loss account	16	<u>3,124</u>	<u>4,094</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>5,828</u>	<u>6,798</u>

Approved by the board on 18 August 2000  
and signed on its behalf:

  
E A Oldham

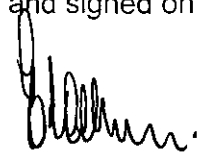
  
J D Ackroyd

The notes on pages 11 to 20 form part of these accounts.

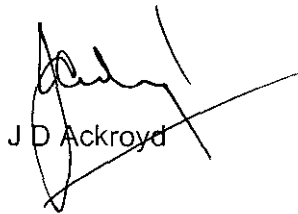
**MILO PLC  
BALANCE SHEET  
31 MARCH 2000**

	Notes	2000 £000	1999 £000
<b>FIXED ASSETS</b>			
Intangible assets	8	1	1
Tangible assets	9	2,221	2,247
Investments	10	<u>1,285</u>	<u>2,315</u>
		<u>3,507</u>	<u>4,563</u>
<b>CURRENT ASSETS</b>			
Debtors	12	3,289	1,288
Cash at bank and in hand		<u>408</u>	<u>2,375</u>
		3,697	3,663
<b>CREDITORS:</b> amounts falling due within one year	13	<u>(1,376)</u>	<u>(1,500)</u>
<b>NET CURRENT ASSETS</b>		<u>2,321</u>	<u>2,163</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,828</u>	<u>6,726</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	906	906
Share premium account	16	40	40
Revaluation reserve	16	725	725
Capital redemption reserve	16	174	174
Profit and loss account	16	<u>3,983</u>	<u>4,881</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>5,828</u>	<u>6,726</u>

Approved by the board on *18 August* 2000  
and signed on its behalf:



E A Oldham



J D Ackroyd

The notes on pages 11 to 20 form part of these accounts.

**MILO PLC**  
**RECONCILIATION OF MOVEMENT IN GROUP SHAREHOLDERS' FUNDS**  
**FOR THE YEAR ENDED 31 MARCH 2000**

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	2000 £000	1999 £000
Total recognised gains and losses	(970)	(530)
Purchase of own shares	<u>-</u>	<u>(750)</u>
Movement in the year	(970)	(1,280)
Shareholders' funds at 1 April 1999	<u>6,798</u>	<u>8,078</u>
<b>Shareholders' funds at 31 March 2000</b>	<b><u>5,828</u></b>	<b><u>6,798</u></b>

The notes on pages 11 to 20 form part of these accounts.

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**MILO PLC**  
**GROUP CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2000**

	Notes	2000 £000	1999 £000
Cash flow from operating activities	17	(521)	(1,514)
Returns on investments and servicing of finance	18	30	118
Taxation		(2)	(337)
Capital expenditure	18	<u>(337)</u>	<u>(280)</u>
Cash outflow before financing		(830)	(2,013)
Financing	18	—	<u>(750)</u>
<b>Decrease in cash in the year</b>		<u>(830)</u>	<u>(2,763)</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	Notes	2000 £000	1999 £000
Decrease in cash in the year and change in net funds resulting from cash flows		(830)	(2,763)
Net funds at 1 April 1999	19	<u>1,239</u>	<u>4,002</u>
<b>Net funds at 31 March 2000</b>	19	<u>409</u>	<u>1,239</u>

The notes on pages 11 to 20 form part of these accounts.

**MILO PLC**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2000**

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**1. ACCOUNTING POLICIES**

**Basis of Accounting**

The accounts are prepared under the historical cost convention, as modified by the revaluation of certain freehold land and buildings. The accounts are prepared in accordance with applicable accounting standards.

**Basis of Consolidation**

The consolidated accounts incorporate the accounts of Milo Plc and its subsidiary undertakings. For the current year all accounts have been drawn up to 1 April 2000. For the comparative year the accounts were made up to 27 March 1999. The year ended 31 March 2000 is a 53 week period and the year ended 31 March 1999 was a 52 week period. No profit and loss account is presented for Milo Plc as provided by Section 230 of the Companies Act 1985.

**Goodwill**

Positive and negative goodwill arising on acquisition and consolidation is capitalised and amortised through the profit and loss account over the director's estimate of its useful life.

The company's previous accounting policy was to eliminate purchased or consolidated positive goodwill directly against reserves, or to credit other reserves with negative goodwill. In accordance with Financial Reporting Standard No. 10 the company is leaving £856,000 of negative goodwill in other reserves. Such negative goodwill will be credited to the profit and loss account upon disposal of the relevant businesses.

**Turnover**

Turnover represents amounts invoiced to customers in respect of sales of goods and services, excluding value added tax and sales of fixed assets.

**Revaluation of properties**

As permitted by the transitional provisions of Financial Reporting Standard No. 15 the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings previously revalued in 1989, and will not update that valuation.

**Tangible fixed assets and depreciation**

Depreciation is provided on all tangible fixed assets in use, other than freehold land and buildings, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery	-	15% p.a. reducing balance
Fixtures and fittings	-	10 - 25% p.a. reducing balance
Motor vehicles	-	25 - 33% p.a. reducing balance
Dies	-	25% p.a. reducing balance

**MILO PLC**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2000**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**Tangible fixed assets and depreciation (Continued)**

The group does not provide depreciation on land and buildings in accordance with Financial Reporting Standard No. 15 because in the opinion of the directors, the group's buildings have long remaining useful economic lives and high residual values and therefore no depreciation charge is made on the grounds that it would be immaterial.

The directors carry out an impairment review in accordance with Financial Reporting Standard No. 11 to ensure that this policy is appropriate.

**Investments**

Fixed asset investments are stated at cost, unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate adjustment is made.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in, first out basis and includes all direct expenditure incurred in bringing products to their present location and condition.

**Deferred Taxation**

Deferred taxation is accounted for using the liability method on all material timing differences to the extent that it is probable that liabilities or assets will crystallise. Advance corporation tax is carried forward to the extent that it is expected to be recovered. Timing differences arise from certain items being included in taxation computations in periods different from those in which they appear in the accounts.

**Foreign Currencies**

Transactions denominated in foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

**Leased Assets**

Assets acquired under finance lease and hire purchase agreements are included in tangible fixed assets and depreciated in accordance with the company's depreciation policy. The capital element of future lease payments is included in creditors.

The rentals payable under operating leases are charged on a straight line basis over the lease term.

**MILO PLC**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2000**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Pension Costs**

The group operates two defined contribution pension schemes, both of which require contributions to be made to separately administered funds. Contributions to these funds are charged to the profit and loss account as they accrue.

**Deferred Government Grants**

Government grants on capital expenditure are credited to a deferred account and are released to revenue over the expected useful life of the relevant asset on a reducing balance basis.

**Comparatives**

The comparative amounts for stock and accruals have been restated to remove a provision for unrealised profit on unsold finished goods at the year end from accruals to stock provisions.

**2. TURNOVER AND SEGMENTAL INFORMATION**

Milo Plc competes internationally, with only one class of business. The directors are of the opinion that to comply fully with the requirements of SSAP25 'Segmental Reporting' would be seriously prejudicial to the interests of the group.

The discontinued operations comprise Soap Company of Ireland Limited.

**3. COST OF SALES AND OPERATING COSTS**

	2000 Continuing £000	2000 Discontinued £000	2000 Total £000	1999 Continuing £000	1999 Discontinued £000	1999 Total £000
Cost of sales	6,247	-	6,247	7,527	-	7,527
Selling and distribution costs	645	-	645	552	-	552
Administrative expenses	<u>2,186</u>	<u>-</u>	<u>2,186</u>	<u>2,156</u>	<u>(134)</u>	<u>2,022</u>

**4. OPERATING LOSS**

This is stated after charging/(crediting):	2000 £000	1999 £000
Auditors' remuneration	27	35
Depreciation of tangible fixed assets	221	215
Loss on disposal of tangible fixed assets	1	6
Foreign exchange (profits)/losses	<u>(18)</u>	<u>13</u>

Auditors' remuneration paid by the company was £10,000 (1999 - £10,000).

**MILO PLC**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2000**

<b>5. STAFF COSTS</b>		
<b>a) Employee information</b>	<b>2000</b>	1999
	<b>£000</b>	£000
Wages and salaries	<b>2,295</b>	2,527
Social security costs	<b>178</b>	198
Other pension costs	<u><b>90</b></u>	<u>83</u>
	<u><b>2,563</b></u>	<u>2,808</u>
The average number of employees during the year was made up as follows:	<b>No</b>	No
Production	<b>143</b>	182
Selling and distribution	<b>14</b>	14
Finance and administration	<u><b>28</b></u>	<u>31</u>
	<u><b>185</b></u>	<u>227</u>
<b>b) Directors' emoluments:</b>	<b>£000</b>	£000
Aggregate emoluments	<b>346</b>	427
Company pension contributions to money purchase schemes	<u><b>18</b></u>	<u>18</u>
	<u><b>364</b></u>	<u>445</u>
<b>Highest paid director</b>		
Aggregate emoluments	<u><b>119</b></u>	<u>120</u>
<p>The directors emoluments shown above amounting to £119,000 were all paid by the holding company. The directors do not believe that it is practicable to apportion this amount between their services as directors of the holding company and their services as directors of the subsidiary companies.</p>		
<b>6. INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>2000</b>	1999
	<b>£000</b>	£000
On bank loans and overdrafts wholly repayable within five years	<u><b>5</b></u>	<u>88</u>
<b>7. TAX ON LOSS ON ORDINARY ACTIVITIES</b>		
Taxation is based on the (loss)/profit for the year and comprises :		
Corporation tax at 30% (1999 - 30%)	-	36
Deferred taxation release	<b>(15)</b>	(21)
Irrecoverable ACT written off	<u>-</u>	<u>30</u>
	<u><b>(15)</b></u>	<u>45</u>



**MILO PLC**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2000**

<b>8. INTANGIBLE FIXED ASSETS</b>						
				<b>2000</b>		<b>1999</b>
				<b>£000</b>		<b>£000</b>
Trade marks at cost						
1 April 1999 and 31 March 2000				<u>1</u>		<u>1</u>
<b>9. TANGIBLE FIXED ASSETS</b>						
<b>GROUP</b>	<b>Freehold land and buildings £000</b>	<b>Plant and machinery £000</b>	<b>Fixtures and fittings £000</b>	<b>Motor vehicles £000</b>	<b>Dies £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>						
1 April 1999	2,090	3,224	294	227	98	5,933
Additions	-	311	17	9	-	337
Disposals	-	-	-	(8)	-	(8)
<b>31 March 2000</b>	<u><b>2,090</b></u>	<u><b>3,535</b></u>	<u><b>311</b></u>	<u><b>228</b></u>	<u><b>98</b></u>	<u><b>6,262</b></u>
<b>Depreciation</b>						
1 April 1999	-	2,316	166	109	87	2,678
Provisions for year	-	161	28	30	2	221
Disposals	-	-	-	(7)	-	(7)
<b>31 March 2000</b>	<u><b>-</b></u>	<u><b>2,477</b></u>	<u><b>194</b></u>	<u><b>132</b></u>	<u><b>89</b></u>	<u><b>2,892</b></u>
<b>Net book value</b>						
<b>31 March 2000</b>	<u><b>2,090</b></u>	<u><b>1,058</b></u>	<u><b>117</b></u>	<u><b>96</b></u>	<u><b>9</b></u>	<u><b>3,370</b></u>
31 March 1999	<u>2,090</u>	<u>908</u>	<u>128</u>	<u>118</u>	<u>11</u>	<u>3,255</u>
<b>COMPANY</b>	<b>Freehold land and buildings £000</b>	<b>Fixtures and fittings £000</b>	<b>Motor vehicles £000</b>	<b>Total £000</b>		
<b>Cost or valuation</b>						
1 April 1999	2,090	250	127	2,467		
Additions	-	10	-	10		
<b>31 March 2000</b>	<u><b>2,090</b></u>	<u><b>260</b></u>	<u><b>127</b></u>	<u><b>2,477</b></u>		
<b>Depreciation</b>						
1 April 1999	-	156	64	220		
Provisions for year	-	20	16	36		
<b>31 March 2000</b>	<u><b>-</b></u>	<u><b>176</b></u>	<u><b>80</b></u>	<u><b>256</b></u>		
<b>Net book value</b>						
<b>31 March 2000</b>	<u><b>2,090</b></u>	<u><b>84</b></u>	<u><b>47</b></u>	<u><b>2,221</b></u>		
31 March 1999	<u>2,090</u>	<u>94</u>	<u>63</u>	<u>2,247</u>		

**MILO PLC**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2000**

**9. TANGIBLE FIXED ASSETS (CONTINUED)**

Freehold land and buildings were externally revalued on an open market basis in 1989. The historical cost of the freehold land and buildings included at valuation is as follows :

	<b>Group and Company</b> <b>£000</b>
<b>31 March 2000</b>	<b><u>1,239</u></b>
31 March 1999	<u>1,239</u>

If the land and buildings were sold at their valuation, the resultant tax liability is estimated to be approximately £150,000 (1999 - £155,000). This has not been reserved for within the deferred tax provision as in the opinion of the directors no disposals are envisaged in the foreseeable future.

**10. FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>Other</b> <b>investments</b> <b>£000</b>		
<b>Unlisted investments at cost</b>			
At 1 April 1999 and <b>31 March 2000</b>		<b><u>50</u></b>	
<b>Company</b>	<b>Subsidiary</b>	<b>Other</b>	<b>Total</b>
	<b>undertakings</b>	<b>investments</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>	
<b>Cost</b>			
At 1 April 1999 and			
<b>31 March 2000</b>	<b><u>2,265</u></b>	<b><u>50</u></b>	<b><u>2,315</u></b>
<b>Amounts provided</b>			
At 1 April 1999	-	-	-
Provision for year	<u>(1,030)</u>	-	<u>(1,030)</u>
<b>31 March 2000</b>	<b><u>(1,030)</u></b>	<b>-</b>	<b><u>(1,030)</u></b>
<b>Net book value</b>			
<b>31 March 2000</b>	<b><u>1,235</u></b>	<b><u>50</u></b>	<b><u>1,285</u></b>
31 March 1999	<u>2,265</u>	<u>50</u>	<u>2,315</u>

**MILO PLC**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2000**

**10. FIXED ASSET INVESTMENTS (CONTINUED)**

At 31 March 2000 the parent company had the following subsidiary undertakings, which are registered and operate in England and Wales with the exception of the Soap Company of Ireland Limited which is incorporated and operated in Eire:

Name of Subsidiary	Main trading activity	% of ordinary shares and voting rights held
ICAL Limited	Manufacture of toiletries and cosmetics	100
Edenfield Soap and Toiletries Limited	Manufacture of soap and toiletries	100
Milo Cosmetics Limited	Sale and distribution of toiletries	100
Soap Company of Ireland Limited	Non trading company	100

**11. STOCKS**

	2000		1999	
	Group £000	Company £000	Group restated £000	Company £000
Raw materials	1,190	-	967	-
Finished goods	<u>873</u>	<u>-</u>	<u>1,166</u>	<u>-</u>
	<u><u>2,063</u></u>	<u><u>-</u></u>	<u><u>2,133</u></u>	<u><u>-</u></u>

**12. DEBTORS**

	2000		1999	
	Group £000	Company £000	Group £000	Company £000
Trade debtors	780	-	1,033	-
Amounts owed by group undertakings	-	3,170	-	1,207
Other debtors	110	110	64	64
Prepayments and accrued income	<u>230</u>	<u>9</u>	<u>204</u>	<u>17</u>
	<u><u>1,120</u></u>	<u><u>3,289</u></u>	<u><u>1,301</u></u>	<u><u>1,288</u></u>

**MILO PLC**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2000**

**13. CREDITORS**

amounts falling due within  
one year :

	2000		1999	
	Group	Company	Group restated	Company
	£000	£000	£000	£000
Bank loans and overdrafts (secured)	809	499	1,279	-
Trade creditors	906	17	878	18
Amounts owed to group undertakings	-	754	-	1,364
Corporation tax	-	-	2	-
Other taxes and social security costs	93	51	96	53
Other creditors	48	31	79	47
Accruals and deferred income	<u>138</u>	<u>24</u>	<u>111</u>	<u>18</u>
	<u>1,994</u>	<u>1,376</u>	<u>2,445</u>	<u>1,500</u>

The bank loans and overdrafts are secured on the assets of the group.

**14. DEFERRED TAXATION**

The amount provided and the full potential liability for deferred taxation at a rate of 20% (1999 - 21%) are as follows:

	2000		1999	
	Group	Company	Group	Company
	£000	£000	£000	£000
<b>Amount provided :</b>				
Timing differences arising from:				
Capital allowances	117	-	99	-
Relief for losses	<u>(117)</u>	<u>-</u>	<u>(84)</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>15</u>	<u>-</u>
<b>Full potential liability :</b>				
Timing differences arising from :				
Capital allowances	117	-	99	-
Relief for losses	<u>(117)</u>	<u>-</u>	<u>(84)</u>	<u>-</u>
Revaluation surplus	<u>150</u>	<u>150</u>	<u>155</u>	<u>155</u>
	<u>150</u>	<u>150</u>	<u>170</u>	<u>155</u>
<b>Movement in the provision</b>			<b>2000</b>	
			<b>£000</b>	
Provision at 1 April 1999			15	
Transferred to Profit and Loss Account			<u>(15)</u>	
<b>Provision at 31 March 2000</b>			<u>-</u>	

**MILO PLC**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2000**

<b>15.</b>	<b>CALLED UP SHARE CAPITAL</b>	<b>2000</b>	<b>1999</b>
		<b>£000</b>	<b>£000</b>
	Authorised:		
	2,000,000 Ordinary shares of £1 each	<u><b>2,000</b></u>	<u><b>2,000</b></u>
	Allotted, issued and fully paid:		
	906,300 (1999: 906,300) Ordinary shares of £1 each	<u><b>906</b></u>	<u><b>906</b></u>

<b>16.</b>	<b>RESERVES</b>	<b>Capital redemption reserve</b>	<b>Share premium account</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Other reserves</b>
	<b>GROUP</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	At 1 April 1999	174	40	728	4,094	856
	Loss for the financial year	—	—	—	(970)	—
	<b>At 31 March 2000</b>	<u><b>174</b></u>	<u><b>40</b></u>	<u><b>728</b></u>	<u><b>3,124</b></u>	<u><b>856</b></u>

	<b>Capital redemption reserve</b>	<b>Share premium account</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
<b>COMPANY</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 1999	174	40	725	4,881
Loss for the financial year	—	—	—	(898)
<b>At 31 March 2000</b>	<u><b>174</b></u>	<u><b>40</b></u>	<u><b>725</b></u>	<u><b>3,983</b></u>

In accordance with Section 230 of the Companies Act 1985 the holding company has not published a separate profit and loss account. The loss for the financial year dealt with in the accounts of the company amounted to £898,196 (1999 - profit £5,516,566).

<b>17.</b>	<b>RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	<b>2000</b>	<b>1999</b>
		<b>£000</b>	<b>restated £000</b>
	Operating loss	(1,015)	(603)
	Depreciation of tangible fixed assets	221	215
	Loss on disposal of tangible fixed assets	1	6
	Decrease/(increase) in stock	70	(58)
	Decrease in debtors	181	425
	Increase/(decrease) in creditors	<u>21</u>	<u>(1,499)</u>
	<b>Net cash outflow from operating activities</b>	<u><b>(521)</b></u>	<u><b>(1,514)</b></u>

**MILO PLC**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2000**

<b>18.</b>	<b>ANALYSIS OF CASH FLOW FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT</b>	<b>2000 £000</b>	<b>1999 £000</b>
	<b>Returns on investments and servicing of finance</b>		
	Interest received	35	206
	Interest paid	<u>(5)</u>	<u>(88)</u>
	<b>Net cash inflow from returns on investments and servicing of finance</b>	<b><u>30</u></b>	<b><u>118</u></b>
	<b>Capital expenditure</b>		
	Purchase of tangible fixed assets	(337)	(288)
	Sale of tangible fixed assets	<u>-</u>	<u>8</u>
	<b>Net cash outflow from capital expenditure</b>	<b><u>(337)</u></b>	<b><u>(280)</u></b>
	<b>Financing</b>		
	Purchase of own shares	<u>-</u>	<u>(750)</u>

<b>19.</b>	<b>ANALYSIS OF NET FUNDS</b>			
		<b>At 1 April 1999 £000</b>	<b>Cash flow £000</b>	<b>At 31 March 2000 £000</b>
	Cash at bank and in hand	2,518	(1,300)	1,218
	Bank overdraft and short term bank loan	<u>(1,279)</u>	<u>470</u>	<u>(809)</u>
	<b>Total</b>	<b><u>1,239</u></b>	<b><u>(830)</u></b>	<b><u>409</u></b>

**20. CONTINGENT LIABILITIES**

- (i) The company is party to an unlimited multi-lateral guarantee in respect of the bank borrowings of the companies within the group. The group was not indebted to the bank at 31 March 2000 or 31 March 1999.
- (ii) Pursuant to the provisions of Section 17(1) of the Companies (Amendment) Act 1986, the holding company has guaranteed the liabilities of its Irish Subsidiary, the result of which is to exempt that company from the provisions of Section 7 of the Companies (Amendment) Act 1986. At 31 March 2000 the liabilities of the Irish Subsidiary amounted to £10,000 (1999 - £15,000).

**21. RELATED PARTIES**

The company is controlled by the Chairman, Mr E A Oldham, who holds a majority of the issued share capital with his wife Mrs K Oldham, who is also a director.