

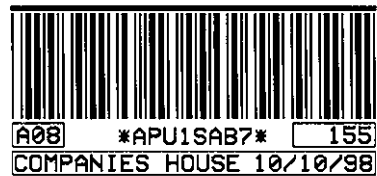
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W JORDAN AND SON (SILO) LIMITED

ACCOUNTS

FOR THE YEAR ENDED

28 FEBRUARY 1998



W JORDAN AND SON (SILO) LIMITED

COMPANY INFORMATION

Directors:

W J Jordan  
R D Jordan  
Mrs P Jordan

Secretary:

R A Payton

Company number:

0572391

Registered Office:

Holme Mill  
Biggleswade  
Beds SG18 9JY

Auditors:

T J Collins  
Chartered Accountant  
& Registered Auditor  
Ivel Lodge  
2 Park Road  
Sandy  
Bedfordshire SG19 1JB

W JORDAN AND SON (SILO) LIMITED

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W JORDAN AND SON (SILO) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 1998

Accounts

The directors submit their report and the financial statements for the year ended 28 February 1998.

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.

Activities

The principal activity of the company is the renting of plant and storage facilities.

Fixed Assets

In the opinion of the directors the market value of the company's freehold properties is in excess of book value and the result of a professional valuation is shown on page 8 (note 8)

Results

The company's trading results are shown on the Profit and Loss Account on page 3 and the notes on pages 6 to 9.

The directors recommend the payment of a dividend as shown on the Profit and Loss Account.

Directors and Shareholdings

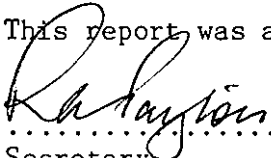
The directors, and their interests in the share capital of the company, at 28 February 1998 were as follows:

|              | £1 ordinary shares<br>Beneficial and family holdings |             |
|--------------|------------------------------------------------------|-------------|
|              | <u>1998</u>                                          | <u>1997</u> |
| W J Jordan   | 252                                                  | 252         |
| R D Jordan   | 251                                                  | 251         |
| Mrs P Jordan | 1                                                    | 1           |

Auditors

T J Collins FCA, offers himself for reappointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the board on 28 August 1998 and signed on its behalf.

  
.....  
Secretary

W JORDAN AND SON (SILO) LIMITED

AUDITORS REPORT TO THE SHAREHOLDERS OF W JORDAN AND SON (SILO) LIMITED

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 to 9.

Respective responsibilities of directors and auditors


As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 28 February 1998 and of its profit and cash flow for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

  
T J Collins  
Chartered Accountant  
and Registered Auditor  
Ivel Lodge  
2 Park Road  
Sandy  
Bedfordshire SG19 1JB

Dated: 28 August 1998

W JORDAN AND SON (SILO) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 1998

|                                               | <u>Notes</u>  | <u>1998</u>     | <u>1997</u>     |
|-----------------------------------------------|---------------|-----------------|-----------------|
| Turnover                                      | 2             | 165,536         | 171,173         |
| Cost of sales                                 |               |                 |                 |
| Distribution costs                            | 10,786        |                 | 21,460          |
| Administration expenses                       | <u>70,471</u> |                 | <u>62,388</u>   |
|                                               |               | <u>81,257</u>   | <u>83,848</u>   |
| Profit on ordinary activities before taxation | 3             | 84,279          | 87,325          |
| Dividends Receivable                          |               | <u>250,000</u>  | <u>210,000</u>  |
|                                               |               | 334,279         | 297,325         |
| Tax on profit on ordinary activities          | 7             | <u>21,196</u>   | <u>22,808</u>   |
| Profit on ordinary activities after taxation  |               | 313,083         | 274,517         |
| Dividends paid                                |               | <u>260,000</u>  | <u>120,000</u>  |
|                                               |               | 53,083          | 154,517         |
| Retained profit brought forward               |               | <u>572,091</u>  | <u>417,574</u>  |
| Retained profit carried forward               |               | <u>£625,174</u> | <u>£572,091</u> |

There were no recognised gains and losses for 1998 or 1997 other than those included in the profit and loss account.


The notes on pages 6 to 9 form part of these financial statements.

W JORDAN AND SON (SILO) LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 1998

|                                                                | <u>Notes</u> | <u>1998</u><br><u>£</u> | <u>1997</u><br><u>£</u> |
|----------------------------------------------------------------|--------------|-------------------------|-------------------------|
| <u>FIXED ASSETS</u>                                            |              |                         |                         |
| Tangible assets                                                | 8            | 362,864                 | 365,409                 |
| Investment in subsidiary company                               | 14           | 98                      | 98                      |
|                                                                |              | <u>362,962</u>          | <u>365,507</u>          |
| <u>CURRENT ASSETS</u>                                          |              |                         |                         |
| Bank account                                                   |              | 31,909                  | 38,305                  |
| Debtors                                                        | 10           | <u>307,418</u>          | <u>263,187</u>          |
|                                                                |              | <u>339,327</u>          | <u>301,492</u>          |
| <u>CREDITORS: Amounts due within one year</u>                  |              |                         |                         |
| Creditors                                                      | 11           | <u>72,345</u>           | <u>92,305</u>           |
| <u>NET CURRENT ASSETS</u>                                      |              | <u>266,982</u>          | <u>209,187</u>          |
| Total assets less current liabilities                          |              | 629,944                 | 574,694                 |
| <u>CREDITORS: Amounts falling due after more than one year</u> |              |                         |                         |
|                                                                | 11a          | 2,412                   | -                       |
| <u>PROVISION FOR LIABILITIES AND CHARGES</u>                   |              |                         |                         |
| Deferred taxation                                              | 12           | <u>240</u>              | <u>485</u>              |
|                                                                |              | <u>2,652</u>            | <u>485</u>              |
|                                                                |              | <u>627,292</u>          | <u>574,209</u>          |
| <u>CAPITAL AND RESERVES</u>                                    |              |                         |                         |
| Called up share capital                                        | 13           | 504                     | 504                     |
| Reserves -                                                     |              |                         |                         |
| Profit and loss account                                        |              | 625,174                 | 572,091                 |
| Capital reserve                                                |              | <u>1,614</u>            | <u>1,614</u>            |
|                                                                |              | <u>626,788</u>          | <u>573,705</u>          |
| Shareholders funds - all equity                                |              | <u>627,292</u>          | <u>574,209</u>          |

The financial statements were approved by the board and signed on its behalf.

  
 ..... )  
 ..... ) Directors  
 ..... )  
 ..... ) Dated  
 ..... )

The notes on pages 6 to 9 form part of these financial statements.

W JORDAN AND SON (SILO) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 1998

|                                                                       | <u>1998</u>    | <u>1997</u>     |
|-----------------------------------------------------------------------|----------------|-----------------|
|                                                                       | <u>£</u>       | <u>£</u>        |
| Reconciliation of operating profit to net cash inflow from operations |                |                 |
| Operating profit                                                      | 84,279         | 87,325          |
| Depreciation charges                                                  | 16,587         | 15,741          |
| (Increase) in debtors                                                 | (44,231)       | (140,167)       |
| (Decrease) in creditors                                               | (17,548)       | (24,638)        |
| Net cash inflow from operations                                       | <u>39,087</u>  | <u>(61,739)</u> |
| Cash flow statement                                                   |                |                 |
| Net cash inflow from operations                                       | 39,087         | (61,739)        |
| Financing:                                                            |                |                 |
| Dividends receivable                                                  | 250,000        | 210,000         |
| Taxation                                                              | (21,441)       | (23,200)        |
| Capital expenditure:                                                  |                |                 |
| Payments to acquire tangible fixed assets                             | (14,042)       | (4,092)         |
| Dividends paid                                                        | (260,000)      | (120,000)       |
| Increase (decrease) in cash                                           | <u>(6,396)</u> | <u>969</u>      |
| Analysis of changes in cash and cash equivalents:                     |                |                 |
| Cash at bank 1.3.1997                                                 | 38,305         | 37,336          |
| Increase(decrease)                                                    | <u>(6,396)</u> | <u>969</u>      |
| Cash at bank 28.2.1998                                                | <u>31,909</u>  | <u>38,305</u>   |



W JORDAN AND SON (SILO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1998

1. Accounting policies

a) Accounting basis and standards

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Fixed assets and depreciation

Fixed assets are depreciated at rates estimated to write off the cost of the assets over their expected useful lives.

Depreciation has been charged at the following rates per annum:

Freehold buildings - 2% on cost  
Plant and machinery - 25% on written down value.  
Vehicles - 25% on cost

c) Deferred taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future calculated at the rate at which it is estimated that tax will be payable.

d) Turnover

Turnover represents the invoiced value of services provided

2. Analysis of Turnover and Profit

In the opinion of the directors the company does not have classes of business which differ substantially from each other, and analysis of turnover is therefore not appropriate.

The turnover attributable to the company (all United Kingdom market) is:-

|                    | <u>1998</u><br><u>£</u> | <u>1997</u><br><u>£</u> |
|--------------------|-------------------------|-------------------------|
| Principal activity | <u>165,536</u>          | <u>171,173</u>          |

W JORDAN AND SON (SILO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1998

|                                                                                             | <u>1998</u><br><u>£</u> | <u>1997</u><br><u>£</u> |
|---------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| 3. <u>Operating Profit</u>                                                                  |                         |                         |
| Operating profit is arrived at after charging:                                              |                         |                         |
| Depreciation - owned tangible fixed assets                                                  | 16,587                  | 15,741                  |
| Auditors remuneration                                                                       | <u>2,900</u>            | <u>2,663</u>            |
| 4. <u>Directors Emoluments</u>                                                              |                         |                         |
| Management remuneration                                                                     | <u>-</u>                | <u>-</u>                |
| 5. <u>Employees (including directors)</u>                                                   |                         |                         |
| The average number employed within each category of person was:-                            |                         |                         |
| Sales staff                                                                                 | -                       | -                       |
| Others                                                                                      | -                       | -                       |
| Directors                                                                                   | <u>3</u>                | <u>3</u>                |
| Total remuneration                                                                          | <u>3</u>                | <u>3</u>                |
| 6. <u>Interest payable and similar charges</u>                                              |                         |                         |
| On bank loans and overdrafts, repayable within five years:                                  | <u>-</u>                | <u>-</u>                |
| 7. <u>Tax on profit on ordinary activities</u>                                              |                         |                         |
| The charge for taxation in the profit and loss account is made up as follows:               |                         |                         |
| U.K. Corporation tax                                                                        |                         |                         |
| Charge on income for year at 23% (1997 24%) payable 28 November 1998                        | 21,500                  | 23,200                  |
| Adjustments in respect of previous year                                                     | ( 59)                   | -                       |
| Deferred tax                                                                                |                         |                         |
| Increase (decrease) in provision through accelerated capital allowances at 23% (1997 - 24%) | <u>( 245)</u>           | <u>( 392)</u>           |
|                                                                                             | <u>21,196</u>           | <u>22,808</u>           |

W JORDAN AND SON (SILO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1998

8. TANGIBLE FIXED ASSETS

|                                                                    | <u>Total</u>   | <u>Freehold<br/>Property</u> | <u>Plant<br/>and<br/>Equipment</u> | <u>Motor<br/>Vehicle</u> |
|--------------------------------------------------------------------|----------------|------------------------------|------------------------------------|--------------------------|
| Cost                                                               |                |                              |                                    |                          |
| Balance 1 March 1997                                               | 505,060        | 387,969                      | 103,679                            | 13,412                   |
| Added in year                                                      | <u>14,042</u>  | <u>-</u>                     | <u>5,042</u>                       | <u>9,000</u>             |
| Balance 28 February 1998                                           | <u>519,102</u> | <u>387,969</u>               | <u>108,721</u>                     | <u>22,412</u>            |
| Depreciation                                                       |                |                              |                                    |                          |
| Balance 1 March 1997                                               | 139,651        | 43,708                       | 89,790                             | 6,153                    |
| Provided in year                                                   | <u>16,587</u>  | <u>7,758</u>                 | <u>4,764</u>                       | <u>4,065</u>             |
| Balance 28 February 1998                                           | <u>156,238</u> | <u>51,466</u>                | <u>94,554</u>                      | <u>10,218</u>            |
| Net book value                                                     |                |                              |                                    |                          |
| 28 February 1998                                                   | <u>362,864</u> | <u>336,503</u>               | <u>14,167</u>                      | <u>12,194</u>            |
| 28 February 1997                                                   | <u>365,409</u> | <u>344,261</u>               | <u>13,889</u>                      | <u>7,259</u>             |
| The freehold (land and buildings only) was valued on 4 August 1993 |                |                              |                                    |                          |
| by Messrs Paddison & Partners Chartered Surveyors at £2,750,000.   |                |                              |                                    |                          |
|                                                                    |                | <u>1998</u>                  |                                    | <u>1997</u>              |
|                                                                    |                | £                            |                                    | £                        |
| 9. Stocks                                                          |                |                              |                                    |                          |
| Raw materials and consumables                                      |                | —                            |                                    | —                        |
| 10. Debtors                                                        |                |                              |                                    |                          |
| Dividends receivable                                               |                | 250,000                      |                                    | 210,000                  |
| ACT - recoverable                                                  |                | 10,000                       |                                    | 11,250                   |
| Prepayment and accrued income                                      |                | 20,000                       |                                    | 13,937                   |
| Sundry debtors                                                     |                | <u>27,418</u>                |                                    | <u>28,000</u>            |
|                                                                    |                | <u>307,418</u>               |                                    | <u>263,187</u>           |
| 11. Creditors:                                                     |                |                              |                                    |                          |
| Amounts falling due within one year                                |                |                              |                                    |                          |
| Amounts owed to related companies                                  |                | 43,668                       |                                    | 65,453                   |
| Other creditors                                                    |                | 2,942                        |                                    | 3,652                    |
| Net obligations under hire purchase contract                       |                | 4,235                        |                                    | —                        |
| Corporation tax                                                    |                | <u>21,500</u>                |                                    | <u>23,200</u>            |
|                                                                    |                | <u>72,345</u>                |                                    | <u>92,305</u>            |
| 11a. Creditors amounts falling due after more than one year:       |                |                              |                                    |                          |
| Net obligations under hire purchase contract                       |                | <u>2,412</u>                 |                                    | —                        |
|                                                                    |                | <u>2,412</u>                 |                                    | —                        |
| Obligations under hire purchase contracts                          |                |                              |                                    |                          |
| Amounts payable                                                    |                |                              |                                    |                          |
| Within one year                                                    |                | 4,776                        |                                    | —                        |
| Within two years                                                   |                | <u>2,910</u>                 |                                    | —                        |
|                                                                    |                | <u>7,686</u>                 |                                    | —                        |
| Less finance charges allocated to future periods                   |                | <u>1,039</u>                 |                                    | —                        |
|                                                                    |                | <u>6,647</u>                 |                                    | —                        |
| Analysed as:                                                       |                |                              |                                    |                          |
| Current obligations                                                |                | 4,235                        |                                    | —                        |
| Non current obligations                                            |                | <u>2,412</u>                 |                                    | —                        |
|                                                                    |                | <u>6,647</u>                 |                                    | —                        |

W JORDAN AND SON (SILO) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 1998

|                                                                                                                                                                                                                                                      | <u>1998</u><br><u>£</u> | <u>1997</u><br><u>£</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| 12. <u>Provision for liabilities and charges</u>                                                                                                                                                                                                     |                         |                         |
| <u>Deferred taxation</u>                                                                                                                                                                                                                             |                         |                         |
| Provision for deferred taxation has been made in these financial statements in accordance with the accounting policy set out in note 1(c). The amount provided represents the full potential liability in respect of accelerated capital allowances. |                         |                         |
| 13. <u>Share Capital</u>                                                                                                                                                                                                                             |                         |                         |
| Authorised:                                                                                                                                                                                                                                          |                         |                         |
| 2,000 Ordinary shares of £1 each                                                                                                                                                                                                                     | <u>2,000</u>            | <u>2,000</u>            |
| Issued and fully paid:                                                                                                                                                                                                                               |                         |                         |
| 504 Ordinary shares of £1 each                                                                                                                                                                                                                       | <u>504</u>              | <u>504</u>              |
| 14. <u>Trade Investments - Wholly owned subsidiary</u>                                                                                                                                                                                               |                         |                         |
| W Jordan (Cereals) Limited                                                                                                                                                                                                                           |                         |                         |
| 2,999,998 Shares at cost                                                                                                                                                                                                                             | <u>98</u>               | <u>98</u>               |
| 15. <u>Contingent liability</u>                                                                                                                                                                                                                      |                         |                         |
| The company has a contingent liability in respect of a guarantee given to Midland Bank Plc in respect of group bank borrowing facilities in the sum of £3,500,000.                                                                                   |                         |                         |
| The guarantee given to Lloyds Bank Plc has been discharged.                                                                                                                                                                                          |                         |                         |
| 16. <u>Movement in shareholders funds</u>                                                                                                                                                                                                            |                         |                         |
| Profit for the year                                                                                                                                                                                                                                  | 313,083                 | 274,517                 |
| Dividends                                                                                                                                                                                                                                            | <u>260,000</u>          | <u>120,000</u>          |
|                                                                                                                                                                                                                                                      | 53,083                  | 154,517                 |
| Opening shareholders funds                                                                                                                                                                                                                           | <u>574,209</u>          | <u>419,692</u>          |
| Closing shareholders funds                                                                                                                                                                                                                           | <u>627,292</u>          | <u>574,209</u>          |