

J P Simpson & Co. (Export) Limited
Annual report and accounts
for the year ended 25 March 2000

Registered Number 1256821



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J P Simpson & Co. (Export) Limited

Annual report and accounts

for the year ended 25 March 2000

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J P Simpson & Co. (Export) Limited

Directors and Advisors for the year ended 25 March 2000

Executive Directors

S B Simpson (Chairman)

J E Boxall

Secretary and registered office

K G M Smith MA FCA

Tweed Valley Maltings

Tweedside Industrial Estate

Ord Road

Berwick-upon-Tweed

TD15 2UZ

Registered Auditors

PricewaterhouseCoopers

89 Sandyford Road

Newcastle upon Tyne

NE99 1PL

Solicitors

Eversheds

Sun Alliance House

35 Mosley Street

Newcastle upon Tyne

NE1 1XX

Bankers

Bank of Scotland

61 Hide Hill

Berwick-upon-Tweed

TD15 1EN

J P Simpson & Co. (Export) Limited

Directors' report for the year ended 25 March 2000

The directors present their report and the audited financial statements of the company for the year ended 25 March 2000.

Principal activities

The principal activity of the company is that of merchant in export malt.

Review of business

At the close of business on 25 December 1999, the business, assets and liabilities of the company were transferred to *Simpsons Malt Limited*, the ultimate parent company, as a going concern.

An agreement has been entered into whereby Simpsons Malt Limited has appointed the company as its agent to carry on its former business.

Results

The profit after taxation for the year was £140,166 (1999: £145,598). The directors recommend the payment of an ordinary dividend in respect of the year ended 25 March 2000 of £140,000 (1999: £145,000).

Directors

The directors who held office during the year are given below:

S B Simpson (Chairman)
J E Boxall

Directors' interests

None of the directors have any beneficial interest in the share capital of the company. The interests of S B Simpson in the share capital of the ultimate parent company, *Simpsons Malt Limited*, are shown in the financial statements of that company. The interests of the other directors in the £1 ordinary shares of the ultimate parent company are:

	25 March 2000	27 March 1999
J E Boxall	400	400

Millennium

Details of the group's Millennium Compliance Programme are set out in the financial statements of *Simpsons Malt Limited*, the ultimate parent company.

J P Simpson & Co. (Export) Limited

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 25 March 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records that disclosure with reasonable accuracy at any time the financial position of the company and 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.

By order of the board



K G M Smith

Secretary

Berwick-upon-Tweed

17 July 2000

J P Simpson & Co. (Export) Limited

Auditors' report to the members of J P Simpson & Co. (Export) Limited

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention, and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report including, as described on page 3, for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

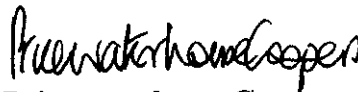
Basis of audit opinion

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 25 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
Newcastle upon Tyne
17 July 2000

J P Simpson & Co. (Export) Limited

Profit and loss account for the year ended 25 March 2000

	Note	2000 £	1999 £
Turnover – continuing operations		2,164,346	3,699,423
Cost of sales		(1,776,683)	(3,082,745)
Gross profit		387,663	616,678
Distribution costs		(210,713)	(338,876)
Administrative expenses		(67,133)	(131,705)
Operating profit – continuing operations		109,817	146,097
Interest receivable		-	-
Profit on ordinary activities before taxation	3	109,817	146,097
Tax on profit on ordinary activities	4	30,349	(499)
Profit on ordinary activities after taxation		140,166	145,598
Dividends	5	(140,000)	(145,000)
Retained profit for the financial year	11	166	598

The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above, and their historical cost equivalents.

J P Simpson & Co. (Export) Limited

Balance sheet as at 25 March 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	6	-	-
Current assets			
Stocks	7	-	14,030
Debtors	8	277,907	267,245
Cash at and in hand		-	1,833,286
		277,907	2,114,561
Creditors: amounts falling due within one year	9	-	(1,836,820)
Net current assets		277,907	277,741
Net assets		277,907	277,741
Capital and reserves			
Called-up share capital	10	2,000	2,000
Profit and loss account	11	275,907	275,741
Equity shareholders' funds	12	277,907	277,741

The financial statements on pages 5 to 12 were approved by the board of directors on 17 July 2000 and were signed on its behalf by:

S B Simpson) Chairman
J E Boxall) Director

J. A. Simpson
J E Boxall

J P Simpson & Co. (Export) Limited

Accounting policies

Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost basis of accounting.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated to write off the cost of fixed assets, less their estimated residual values, over their expected useful economic lives on a straight line basis. The principal annual rates used for this purpose are:

Plant and machinery	- 10 years
Office furniture and equipment	- 5 years

Stock

Stocks held for resale are valued at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation at the current rate of corporation tax to the extent that there is a reasonable probability that such a liability will arise in the foreseeable future.

Pension costs

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

Cash flows

The company is a wholly owned subsidiary of Simpsons Malt Limited and the cash flows of the company are included in the consolidated cash flow statement of Simpsons Malt Limited. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from the requirement to publish a cash flow statement.

Foreign currency

Foreign currency items are expressed in sterling at either the known applicable contracted rate of exchange or the rate of exchange at the balance sheet date. Exchange differences arising in the ordinary course of business are dealt with through the profit and loss account.

Turnover

Turnover represents the net value of goods invoiced to customers inclusive of export restitutions receivable and exclusive of value added tax where applicable. All turnover is generated in export markets.

J P Simpson & Co. (Export) Limited

Notes to the financial statements for the year ended 25 March 2000

1 Directors' emoluments

The remuneration paid to the directors was:

	2000	1999
	£	£
Aggregate emoluments	Nil	44,044

	2000	1999
	£	£
Highest paid director		
Aggregate emoluments	Nil	44,044
Accrued pension at end of year under a defined benefit scheme	Nil	Nil

2 Employee information

	2000	1999
Average weekly number of employees	3	3

	2000	1999
	£	£
Staff costs (for the above persons):		
Wages and salaries	30,500	71,514
Social security costs	3,176	7,361
Other pension costs (see note 14)	10,743	14,324
	44,419	93,199

J P Simpson & Co. (Export) Limited

3 Profit on ordinary activities before taxation

	2000	1999
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	Nil	Nil
Auditors' remuneration	2,475	3,252

4 Tax on profit on ordinary activities

	2000	1999
	£	£
United Kingdom corporation tax at 20% (1999: 21%):		
Current	-	31,000
Overprovision in respect of prior years	(30,349)	(30,501)
	(30,349)	499

5 Dividends

	2000	1999
	£	£
Proposed ordinary dividend of £70.00 (1999: £72.50) per ordinary share	140,000	145,000

J P Simpson & Co. (Export) Limited

6 Tangible assets

	Plant and Machinery	Office furniture and equipment	Total
	£	£	£
Cost			
At 28 March 1999	3,139	7,656	10,795
Intra-group transfer	(3,139)	(7,656)	(10,795)
At 25 March 2000	-	-	-
Depreciation			
At 28 March 1999	3,139	7,656	(10,795)
Intra-group transfer	(3,139)	(7,656)	(10,795)
At 25 March 2000	-	-	-
Net book value			
At 27 March 1999 and 25 March 2000	-	-	-

As explained in the directors' report the assets were transferred to Simpsons Malt Limited on 25 December 1999.

7 Stocks

	2000	1999
	£	£
Goods held for resale	Nil	14,030

8 Debtors

	2000	1999
	£	£
Trade debtors	-	258,510
Other debtors	-	4,610
Prepayment and accrued income	-	4,125
Amounts due to parent undertaking	277,907	-
	277,907	267,245

J P Simpson & Co. (Export) Limited

9 Creditors: Amounts falling due within one year

	2000	1999
	£	£
Bank overdraft	-	7,314
Trade creditors	-	9,897
Amounts owed to parent undertaking	-	1,589,865
Corporation tax payable	-	31,000
Accruals and deferred income	-	53,744
Dividend payable	-	145,000
	-	1,836,820

10 Called up share capital

	2000	1999
	£	£
Authorised, allotted, called up and fully paid		
2,000 ordinary shares of £1 each	2,000	2,000

11 Profit and loss account

	£
At 28 March 1999	275,741
Retained profit for the financial year	166
At 25 March 2000	275,907

12 Reconciliation of movements in equity shareholders' funds

	2000	1999
	£	£
Opening equity shareholders' funds	277,741	277,143
Retained profit for the financial year	166	598
Closing equity shareholders' funds	277,907	277,741

13 Contingent liabilities

- (a) The company has guaranteed the bank borrowings of its ultimate parent company and fellow subsidiaries. At 25 March 2000 these borrowings amounted to £13,681,363 (1999: £16,341,496).
- (b) The company has given counter indemnities to a bank for £600,000 (1999: £1,100,000) to cover guarantees given to the Intervention Board for Agricultural Produce and foreign exchange dealings.

14 Pensions

The Simpsons Malt Group pension scheme makes provision for pensions to eligible past and present employees of the company. Contributions to the scheme are based upon pension costs across the group as a whole. The scheme is a funded defined benefit scheme. Full details of the scheme are disclosed in the financial statements of Simpsons Malt Limited.

15 Related party disclosures

The company has taken advantage of the exemption under FRS 8 'Related Party Disclosures' not to disclose details of intra-group transactions. There are no other transactions which call to be disclosed under the terms of FRS 8.

16 Ultimate parent undertaking

The directors regard Simpsons Malt Limited, a company registered in England and Wales, as the ultimate parent company. The directors also regard Simpsons Malt Limited as the ultimate controlling party. Copies of its financial statements may be obtained from:

Registrar of Companies
Crown Way
Maindy
Cardiff
CF4 3UZ