

KARDINELL GROUP LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

REGISTERED COMPANY NUMBER : 03025713



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KARDINELL GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 31st March 2000.

Principal Activities and Business Review

The principal activity of the company is to manage the operations of its subsidiaries. The principal activities of the subsidiaries are as follows:-

Principal Activity

Severn Poultry Limited	Wholesalers and distributors of poultry.
Tom Carr Limited	Wholesalers of poultry and meat.

All subsidiaries are incorporated and registered in England and Wales. All operations take place within the United Kingdom.

Dollar Farm (Poultry) Limited, a subsidiary, was dormant throughout the year, and was formally struck off after the balance sheet date. Accordingly, all remaining balances associated with this subsidiary have been disposed of during the year.

Results and Dividends

The results of the group for the year are shown in the profit and loss account on page 5.

The directors are satisfied with the result for the year, and year end position and envisage a similar result for the group in the forthcoming year.

A dividend of 23 pence per share was paid during the year, and it is recommended that the retained profit is transferred to reserves.

Directors and their Interest in Shares

The directors who served during the year under review and their beneficial interest in the share capital of the company are set out below:-

	Number of Ordinary Shares of £1 each	
	<u>31.03.00</u>	<u>01.04.99</u>
M D C Dilloway	67,500	67,500
Mrs T L Dilloway	-	-
J A Carr	13,500	13,500
T D Carr	54,000	54,000
K Finch	15,000	15,000
	Number of Redeemable Preference Shares of £1 each	
	<u>31.03.00</u>	<u>01.04.99</u>
M D C Dilloway	89,716	103,916
Mrs T L Dilloway	-	-
J A Carr	-	5,745
T D Carr	42,782	56,982
K Finch	-	-

KARDINELL GROUP LIMITED**DIRECTORS' REPORT**
(continued)**Auditors**

A resolution for the reappointment of Davies Mayers & Partners as auditors of the company and group is to be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board

A handwritten signature in black ink, appearing to be 'K Finch', written over a horizontal line.

K Finch

Director

KARDINELL GROUP LIMITED**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 group and of the profit or loss of the company and group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE SHAREHOLDERS OF
KARDINELL GROUP LIMITED

We have audited the financial statements on pages 5 to 17 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention as modified by the revaluation of certain assets and the accounting policies set out in note 1.

Respective Responsibilities of Directors and Auditors

As described on page 3 the company's directors are responsible for the preparation of the 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 mis-statement, 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

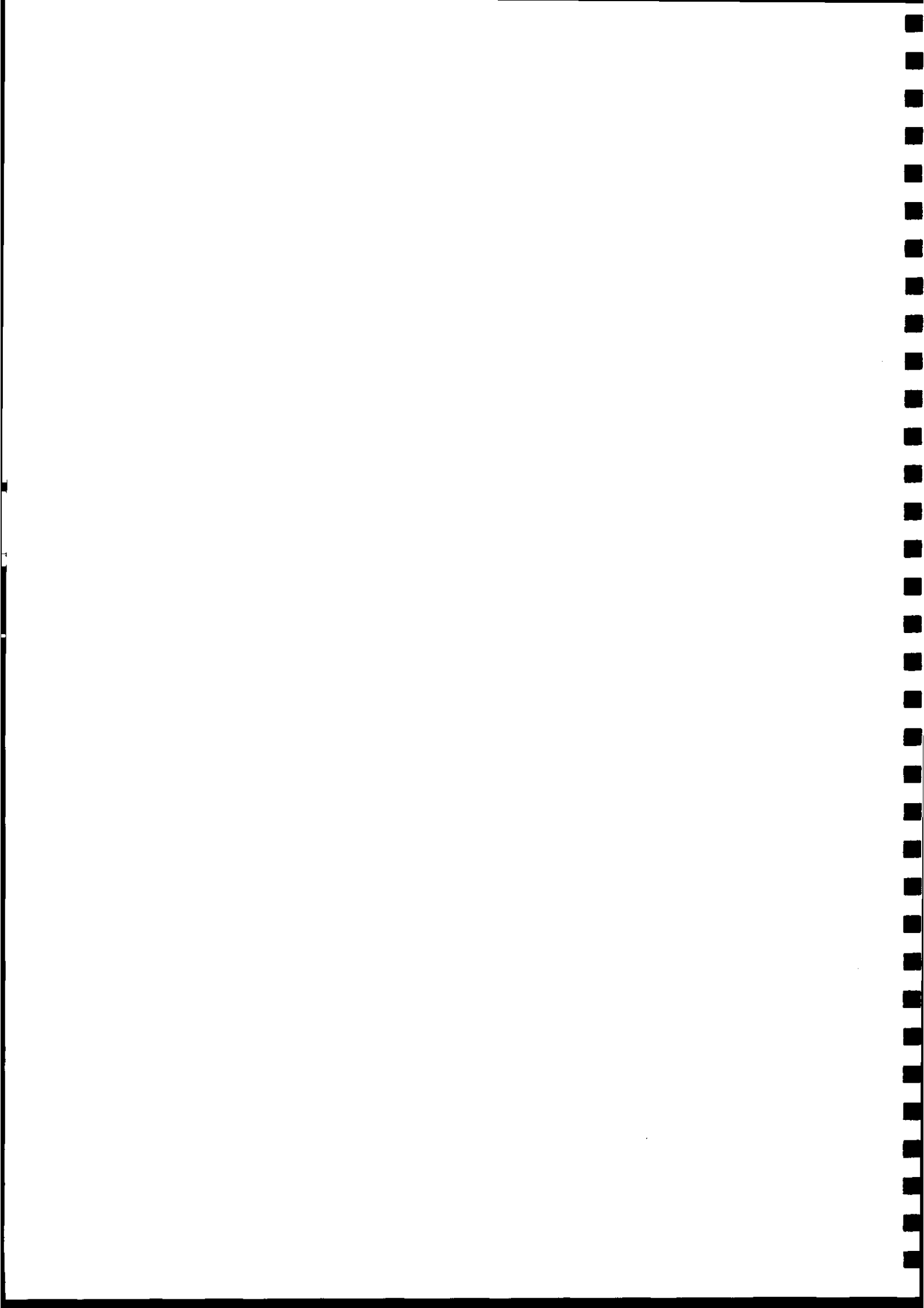
In our opinion the financial statements give a true and fair view of the state of the affairs of the company and group as at 31st March 2000 and of the profit for the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Davies Mayers & Partners

DAVIES MAYERS & PARTNERS
Chartered Accountants
Registered Auditor

17th October 2000

Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS



KARDINELL GROUP LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2000

	<u>Note</u>	<u>Total 2000 £</u>	<u>Total 1999 £</u>	<u>Discontinued Activities 1999 £</u>	<u>Continuing Activities 1999 £</u>
Turnover	2	5,317,769	5,450,519	178,666	5,271,853
Cost of sales		(4,464,859)	(4,538,014)	(98,036)	(4,439,978)
Gross profit		<u>852,910</u>	<u>912,505</u>	<u>80,630</u>	<u>831,875</u>
Administrative expenses		(817,161)	(880,260)	(98,928)	(781,332)
Operating profit	4	<u>35,749</u>	<u>32,245</u>	<u>(18,298)</u>	<u>50,543</u>
Adjustment on discontinuance of subsidiary		3,991	44,726		
Income from investments	5	234	40		
Interest receivable and similar income	6	9,391	12,811		
		<u>49,365</u>	<u>89,822</u>		
Interest payable and similar charges	7	(9,898)	(6,553)		
Profit on ordinary activities before taxation		<u>39,467</u>	<u>83,269</u>		
Taxation on profit on ordinary activities	8	10,826	(21,255)		
Profit on ordinary activities after taxation		<u>50,296</u>	<u>62,014</u>		
Dividend	9	(35,000)	-		
Retained profit for the year	19	<u>15,293</u>	<u>62,014</u>		

None of the group's activities were acquired or discontinued during the year ended 31st March 2000.

The group has no recognised gains or losses other than the results for the years ended 31st March 2000 and 31st March 1999.

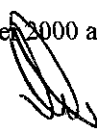
KARDINELL GROUP LIMITED
CONSOLIDATED BALANCE SHEET
AT 31ST MARCH 2000

	<u>Note</u>	<u>2000</u>		<u>1999</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fixed assets					
Intangible assets	10		-		2,443
Tangible assets	11		212,624		239,686
Investment property	11a		127,326		-
Investments	12		2,114		1,826
			<u>342,064</u>		<u>243,955</u>
Current assets					
Stocks	13	44,192		59,323	
Debtors	14	438,140		496,246	
Cash at bank and in hand		213,801		183,899	
		<u>696,133</u>		<u>739,468</u>	
Creditors : amounts falling due within one year	15	(629,931)		(540,245)	
Net current assets			66,202		199,223
Total assets less current liabilities			<u>408,266</u>		<u>443,178</u>
Creditors : amounts falling due after one year	16		(66,479)		(82,539)
Net assets			<u>341,787</u>		<u>360,639</u>
Capital and reserves					
Called up share capital	18		282,498		316,643
Capital Redemption reserve	19		73,245		39,100
Profit and loss account	19		(13,956)		4,896
Shareholders' funds	20		<u>341,787</u>		<u>360,639</u>

These accounts have been prepared in accordance with the special provisions relating to small groups under S248 Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These accounts were approved by the board of directors on 17th October 2000 and signed on its behalf by:-

K Finch }


DIRECTOR

KARDINELL GROUP LIMITED**BALANCE SHEET****AT 31ST MARCH 2000**

	<u>Note</u>	<u>2000</u>		<u>1999</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fixed assets					
Investment property	11a		127,326		-
Investments	12a		295,743		295,743
			<u>423,069</u>		<u>295,743</u>
Current Assets					
Debtors	14	2,404		137,158	
Cash at bank and in hand		117,448		-	
		<u>119,852</u>		<u>137,158</u>	
Creditors : amounts falling due within one year	15	(179,153)		(48,805)	
Net current (liabilities)/assets			<u>(59,301)</u>		<u>89,103</u>
Net assets			<u>363,768</u>		<u>384,846</u>
Capital and reserves					
Called up share capital	18		282,498		316,643
Capital Redemption Reserve	19		73,245		39,100
Profit and loss account	19		8,025		29,103
Shareholders' funds	20		<u>363,768</u>		<u>384,846</u>

These accounts have been prepared in accordance with the special provisions relating to small groups under S246 Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These accounts were approved by the board of directors on 17th October 2000 and signed on its behalf by:-



K Finch }

DIRECTOR

KARDINELL GROUP LIMITED**NOTES TO THE CONSOLIDATED ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2000****1. Principal Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's accounts :-

a) Basis of Accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

b) Basis of Consolidation

The consolidated accounts comprise the accounts of Kardinell Group Limited and all its subsidiaries made up to 31st March 2000.

c) Fixed Asset Investments

Fixed asset investments are stated at cost less any permanent diminution in value.

d) Goodwill

Goodwill is represented by the excess of the cost of acquisitions over the fair value of the underlying net assets. Goodwill is amortised in equal annual instalments over its estimated useful economic life of five years.

e) Investment Properties

Investment properties are stated in the balance sheet at open market value.

f) Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:-

Short leasehold buildings	20% straight line
Freehold land and buildings	Between Nil and 10% straight line
Property improvements	20% Straight line
Plant and machinery	20% Straight line
Fixtures and fittings	20% Straight line
Motor vehicles	25% Straight line
Computer equipment	33% Straight line

g) Stock

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

h) Pensions

The group operates several defined contribution schemes. The assets of these schemes are held separately from those of the company in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

KARDINELL GROUP LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000
 (continued)

1. Principal Accounting Policies (continued)

i) Hire Purchase and Leasing Commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

j) Cash Flow Statement

Under Financial Reporting Standard 1, the group is exempt from the requirement to prepare a cash flow statement, on the grounds of its size.

k) Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. Turnover

Turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year. All sales are in the United Kingdom and are derived from the group's principal activities.

3. Directors' Remuneration

The remuneration paid to the directors of the group was as follows:-

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Fees and other emoluments (including benefits in kind)	149,904	146,925
Pension contributions	13,560	14,000
	<u>163,464</u>	<u>160,925</u>

Retirement benefits are accruing to four of the directors under money purchase schemes.

KARDINELL GROUP LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000

4. Operating Profit/(Loss)

The operating profit/(loss) is stated after charging/(crediting) the following:-

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Amortisation	2,443	2,444
Depreciation	95,054	64,464
Profit on disposal of fixed assets	(64,609)	(2,965)
Auditors' remuneration	7,525	8,950
Exceptional item – provision against amount owing by group undertaking	-	13,325
Exceptional item – bad debts written off	140,241	-
Pension costs	23,488	17,818
	<u> </u>	<u> </u>

The exceptional items disclosed above were included in administrative expenses, and were disclosed due to either the material nature of the charge, or the reason for the charge.

5. Income From Investments

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Dividends from shares	234	40
	<u> </u>	<u> </u>

6. Interest Receivable and Similar Income

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Bank interest	6,363	12,811
Other interest	3,028	
	<u>9,391</u>	<u>12,811</u>

7. Interest Payable and Similar Charges

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Other interest	94	59
Bank interest, not repayable by instalments within five years	473	326
Bank loan interest, repayable by instalments in greater than five years	4,336	4,848
Hire purchase interest	4,995	1,320
	<u>9,898</u>	<u>6,553</u>

KARDINELL GROUP LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000
 (continued)

8. Taxation

	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
The tax (credit)/charge is based on the result for the year:-		
Corporation Taxation @ 20% (1999 : 21%)		
- current year	13,288	20,480
- (over)/under provision in prior years	(24,114)	775
	<u>(10,826)</u>	<u>21,255</u>

9. Dividend

	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
Interim dividend at 23 pence per ordinary share (1999 : £Nil)	35,000	-

10. Intangible Fixed Assets - Group

	<u>Total</u> <u>£</u>
Goodwill	
Cost	
At 1st April 1999 and 31st March 2000	12,222
Amortisation	
At 1st April 1999	9,779
Charge for year	2443
At 31st March 2000	<u>12,222</u>
Net Book Value	
At 31st March 2000	-
At 31st March 1999	<u>2,443</u>

KARDINELL GROUP LIMITED**NOTES TO THE CONSOLIDATED ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2000**

(continued)

11. Tangible Fixed Assets - Group

	<u>Short Leasehold Buildings</u>	<u>Freehold Land & Buildings</u>	<u>Plant & Machinery</u>	<u>Motor Vehicles</u>	<u>Fixtures & Fittings</u>	<u>Computer Equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost							
At 1st April 1999	28,810	103,071	35,046	178,912	70,778	5,379	421,996
Additions	260	-	19,900	40,787	19,682	1,009	81,638
Disposals	(28,261)	-	(9,370)	(52,250)	(7,386)	(5,249)	(102,516)
At 31st March 2000	809	103,071	45,576	167,449	83,074	1,139	401,118
Depreciation							
At 1st April 1999	16,575	4,788	29,692	97,539	28,424	5,292	182,310
Charge for year	162	33,284	7,008	38,988	15,236	376	95,054
Eliminated on disposal(16,465)		-	(8,770)	(51,000)	(7,386)	(5,249)	(88,870)
At 31st March 2000	272	38,072	27,930	85,527	36,274	419	188,494
Net Book Value 31st March 2000	537	64,999	17,646	81,922	46,800	720	212,624
At 31st March 1999	9,781	100,737	5,354	81,373	42,354	87	239,686

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

	<u>Motor Vehicles</u>
	<u>£</u>
Cost	
At 1st April 1999	68,400
Additions	8,537
At 31st March 2000	76,937
Depreciation	
At 1st April 1999	17,101
Charge for year	19,234
At 31st March 2000	36,335
Net Book Value At 31st March 2000	40,602
At 31st March 1999	51,299

KARDINELL GROUP LIMITED**NOTES TO THE CONSOLIDATED ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2000**

(continued)

11a. Investment Property - Group and Company

	Fixtures & Fittings	Freehold Land & Buildings	Total
	£	£	£
Cost			
Additions	9,956	117,370	127,326
At 31st March 2000	<u>9,956</u>	<u>117,370</u>	<u>127,326</u>
Change in valuation			
Change for Year	-	-	-
At 31st March 2000	<u>-</u>	<u>-</u>	<u>-</u>
Open Market Value			
At 31st March 2000	<u>9,956</u>	<u>117,370</u>	<u>127,326</u>

12. Fixed Asset Investments

	Group 2000	Group 1999
	£	£
<u>Listed Investments:-</u>		
Cost		
At 1st April 1999 and 31st March 2000	<u>1,232</u>	<u>1,232</u>
Market Value		
At 1st April 1999	1,826	620
Increase in market value in year	288	1,206
At 31st March 2000	<u>2,114</u>	<u>1,826</u>

KARDINELL GROUP LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000
(continued)

12a. Investments - Company

	<u>Shares in Group Undertakings</u>
	<u>2000</u>
	<u>£</u>
Balance at 1st April 1999 and 31st March 2000	295,743

At 31st March 2000, the company held 100% of the ordinary share capital of the following:-

<u>Subsidiary</u>	<u>County of Registration and Place of Operation</u>	<u>Nature of Business</u>	<u>Capital and Reserves at</u>		<u>Profit/ (Loss) for Year to</u>	
			<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
			<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Tom Carr Limited	England and Wales	Wholesalers of poultry and meat	174,493	207,708	(33,215)	65,470
Severn Poultry Limited	England and Wales	Retailing of meat	99,269	65,376	33,893	(9,371)

Dollar Farm (Poultry) Limited, a subsidiary, was dormant throughout the year, and was formally struck off after the balance sheet date. Accordingly, all remaining balances associated with this subsidiary have been disposed of during the year.

13. Stocks

	<u>Group 2000</u>	<u>Group 1999</u>
	<u>£</u>	<u>£</u>
Goods for resale	44,192	59,323

14. Debtors

	<u>Group 2000</u>	<u>Company 2000</u>	<u>Group 1999</u>	<u>Company 1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade debtors	387,098	1,909	387,425	-
Amounts due from group undertakings	-	-	-	135,886
Other debtors	22,466	-	71,305	1,272
Directors' loan accounts	366	-	13,100	-
Prepayments	27,960	495	24,416	-
	<u>438,140</u>	<u>2,404</u>	<u>496,246</u>	<u>137,158</u>

KARDINELL GROUP LIMITED**NOTES TO THE CONSOLIDATED ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2000**

(continued)

15. Creditors : Amounts Falling Due Within One Year

	<u>Group 2000 £</u>	<u>Company 2000 £</u>	<u>Group 1999 £</u>	<u>Company 1999 £</u>
Bank loans and overdrafts	52,916	-	5,329	-
Amounts owed to group undertakings	-	104,827	-	-
Trade creditors	403,059	-	377,736	-
Other creditors	38,432	206	50	-
Directors' loan accounts	57,123	55,575	20,657	20,200
Hire purchase contracts	16,902	-	12,994	-
Social security and other taxation	20,049	13,319	34,039	21,205
Corporation Tax	13,288	3,715	20,480	4,750
Accruals	28,162	1,511	68,960	1,900
	<u>629,931</u>	<u>179,153</u>	<u>540,245</u>	<u>48,055</u>

16. Creditors : Amounts Falling Due After More Than One Year

	<u>Group 2000 £</u>	<u>Group 1999 £</u>
Bank Loans	33,478	39,331
Hire Purchase Contracts	33,001	43,208
	<u>66,479</u>	<u>82,539</u>
Amounts falling due in more than five years:-		
Repayable by instalments:		
Bank loans	<u>2,814</u>	<u>11,642</u>

17. Secured debts

The following secured debts are included within creditors:

	<u>Group 2000 £</u>	<u>Group 1999 £</u>
Bank overdrafts	47,015	-
Bank loans	39,379	44,660
Hire purchase contracts	49,903	56,202
	<u>136,297</u>	<u>100,862</u>

The bank overdraft is secured by a fixed and floating charge over the company's assets. The bank loan is secured by a fixed charge over the freehold property. The hire purchase contracts are secured over the assets to which they relate.

KARDINELL GROUP LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000
(continued)

18. Share Capital

	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
Authorised :		
500,000 Ordinary shares of £1 each	500,000	500,000
500,000 Redeemable preferences shares of £1 each	500,000	500,000
	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid:		
150,000 Ordinary shares of £1 each	150,000	150,000
132,498 (1999 : 166,643) Redeemable preferences shares £1 each	132,498	166,643
	<u>282,498</u>	<u>316,643</u>

The redeemable preference shares are redeemable at par at the option of the company between 26th January 1998 and 26th January 2006. These shares do not entitle the holder to attend or vote at any general meeting of the company. Any dividend will be fixed by the company in a general meeting.

During the year, 34,145 redeemable preference shares were redeemed at par.

19. Reserves

	<u>Group</u> <u>Profit and</u> <u>Loss account</u> <u>£</u>	<u>Group and</u> <u>Company</u> <u>Capital</u> <u>Redemption</u> <u>Reserve</u> <u>£</u>	<u>Company</u> <u>Profit and</u> <u>loss account</u> <u>£</u>
At 1st April 1999	4,896	39,100	29,103
Redemption of shares	(34,145)	34,145	(34,145)
Retained profit for year	15,293	-	13,067
At 31st March 2000	<u>(13,956)</u>	<u>73,245</u>	<u>8,025</u>

KARDINELL GROUP LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000
 (continued)

20. Reconciliation of Movement in Shareholders' Funds

	<u>Group</u> <u>2000</u> <u>£</u>	<u>Company</u> <u>2000</u> <u>£</u>	<u>Group</u> <u>1999</u> <u>£</u>	<u>Company</u> <u>1999</u> <u>£</u>
Retained profit for the financial year	15,293	13,067	62,014	17,882
Redemption of preference shares	(34,145)	(34,145)	(39,100)	(39,100)
Net (reduction)/addition to Shareholders' funds	(18,852)	(21,078)	22,914	(21,218)
Opening Shareholders' funds	360,639	384,846	337,725	406,064
Closing Shareholders' funds	341,787	363,768	360,639	384,846

21. Retained Profit for the Year

Kardinell Group Limited has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985. The retained profit for the year of £15,293 (1999 : £62,014) includes a retained profit of £13,067 (1999 : £17,882) which has been dealt with in the accounts of the parent company, before any adjustments for consolidation purposes.

22. Capital Commitments

There were no capital commitments at 31st March 2000 (1999 : £Nil).

23. Contingent Liabilities

The group has entered into a composite guarantee in respect of any group bank borrowing. At 31st March 2000 the maximum potential liability under this commitment was £86,394 (1999 : £44,660).

KARDINELL GROUP LIMITED
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(continued)

24. Operating Lease Commitments

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Annual commitments which are expiring:-		
Within one year	15,115	-
Between one and five years	45,681	57,760
In more than five years	1,316	13,316

25. Related Party Transactions

Severn Poultry Limited and Tom Carr Limited are 100% subsidiaries of Kardinell Group Limited. No disclosure has been made of intercompany transactions, as the results of the trading subsidiaries are consolidated within these financial statements.

During the year the group paid rent of £12,000 (1999 : £2,000) to Severn Poultry Pension Scheme. M D C Dilloway, J A Carr, T D Carr and K G Finch, directors, are members of this scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

During the year, the group traded with Pocock's Poultry, a business in which B A Pocock, director, is a partner. The group made sales to Pocock's Poultry of £23,323 in the year and at the balance sheet date was owed £1,978. This amount is included within Trade debtors.

The directors have joint ultimate control.

26. Transactions with Directors

Included within debtors and creditors were the following directors' loan account balances:-

	Maximum overdrawn Balance in year	Group				Company	
		Debtors		Creditors		Creditors	
		<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
J A Carr	13,100	96	13,100	3,076	-	3,076	-
T D Carr	-	-	-	13,998	66	12,450	-
M D C Dilloway	270	270	-	36,550	20,591	36,550	20,200
K Finch	-	-	-	3,499	-	3,499	-
		<u>366</u>	<u>13,100</u>	<u>57,123</u>	<u>20,657</u>	<u>55,575</u>	<u>20,200</u>

There is no specified repayment date for the loan accounts, and the accounts are not interest bearing.