

Registered Number: 3467913

Towers Thompson



ANNUAL REPORT AND ACCOUNTS 2000



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DIRECTORS AND ADVISERS

GROUP DIRECTORS

Alan Thompson

Chief Executive

Terry Goddard

Finance Director

EXECUTIVE COMMITTEE

Paul Dolan

Risk Management Director

Dennis Clark

Sales Director

Derek Berry

Distribution Director

Gerard Meyn

Managing Director, Australia

Mogens Smith

European Sales Director

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Bankers

Barclays Bank PLC

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London

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GMAC Commercial Credit Ltd

Sovereign House

Church Street

Brighton

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Solicitors

Travers Smith Braithwaite

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GROUP FINANCIAL HIGHLIGHTS

	2000 £'000	1999 £'000
Group Turnover	134,967	138,602
Operating Profit	1,762	1,629
Net Cash Inflow/(Outflow) from Operating Activities	2,972	(5,029)
Net Assets	9,438	8,953
Net Gearing	19.9%	40.8%



CHIEF EXECUTIVE'S STATEMENT

December 2000 marked the end of the third year since our buy out of the company from Hillsdown Holdings plc. A great deal has been achieved in what has been a particularly challenging period for both the group and the industry. Since the buyout our financial situation has continued to strengthen to a point where shareholders' funds now stand at £9.4m. I am delighted with the group's strong progress on a number of fronts, which will stand us in good stead in the future.

We have made good progress in pursuing our medium term strategy of focusing our resources on those parts of the business that provide the best returns and the disposal of under performing operations. During the year we have closed or sold 6 loss making operations which were using a disproportionate amount of resources. We sold our Liverpool processing facility which had been loss making for some time. In addition we closed 3 UK wholesale distribution depots, our trading operation in Chicago and the domestic wholesale business in Australia. As a result of these changes the group incurred significant costs of £0.5m, which have been separately disclosed. These initiatives will deliver annualised savings in excess of £0.3m in the coming year. We remain committed to reducing overheads and streamlining all areas of our business.

Although volumes increased overall turnover decreased by 2.6% largely as a result of the continued price deflation in both meats and poultry. Operating profits increased to £1.762m (1999: £1.629m).

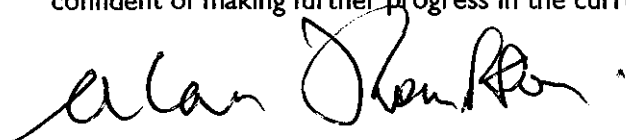
Our strategy of developing high growth markets has played an important part in securing our position as principal supplier to many of Europe's top retailers, caterers and manufacturers. We continued to grow our sales of high quality chilled beef and lamb and imported cooked meats and poultry. We are making good progress with our strategy of concentrating on sectors, products and customers with the right growth characteristics.

Rest of the World

Our overseas offices faced a challenging year and whilst sales remained strong profits were down. The management has focused their attention on eliminating unnecessary overheads and have restructured their operation. By closing the Chicago office and the Brisbane based wholesale distribution depot ongoing loss making activities have now been eliminated. As a result of these we have seen our Australian and New Zealand offices report record profits in the first quarter of this year. Our Danish business has also shown a strong improvement in the first quarter's trading.

Outlook

Despite the problems with BSE in Europe the UK has been largely unaffected. The Foot and Mouth epidemic in the EU is a further devastating blow for the agricultural industry and we will undoubtedly be affected by this problem. These unforeseen events will undoubtedly result in the end to the downward pressure in the price of meat and poultry. Overall, the structural changes of the past year will continue to make a positive contribution to our results in 2001. The group's broad geographical spread and product mix offers a wide range of development options, as well as protection against a volatile market place. Current trading is running ahead of our expectations, and is in advance of last year. We are confident of making further progress in the current year.



Alan Thompson
Chief Executive

29 May 2001



REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2000.

Principal Activities

The principal activity of the group is the import, export and wholesale distribution of meat, poultry and dairy products.

Review of Business and Future Developments

Full details of the group's activities are contained in the Chief Executive's statement.

Dividends

The Directors recommend the payment of a final dividend for the year of 21.06 pence (1999: 20.00 pence) per each existing 10 pence ordinary share, totalling £300,000 (1999: £285,000).

Directors and Directors' Interests

The directors who served in the year and their beneficial interests in the shares of the company are as follows:

	Towers Thompson Holdings Ltd 10p Ordinary Shares 1 January and 31 December 2000
A P Thompson	* 420,000
T G Goddard	300,000

*Includes 120,000 ordinary shares in which A P Thompson has a non beneficial interest.

According to the register of directors' interests, no rights to subscribe for shares in, or debentures of the company, or any other group company were granted to any of the directors or their immediate families, or exercised by them during the year.

Political and Charitable Donations

The group made no political contributions during the current or prior year. Donations to UK charities amounted to £3,000 (1999: £3,000).



REPORT OF THE DIRECTORS CONTINUED...

Employment of Disabled Persons

The group's policy and practice is to encourage and where possible assist the employment of disabled people and to retain employees who become disabled.

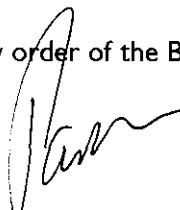
Employees

It is the group's policy to involve all employees in the decision making process. All members of staff regularly attend departmental meetings at which matters of general interest are discussed. The group produces a newsletter on a regular basis to inform employees of news and events. The financial performance of the group is displayed on our website www.towers-thompson.co.uk.

Auditors

In accordance with Section 385 of the Companies Act, a resolution proposing the reappointment of KPMG as auditors of the company will be put to the Annual General Meeting.

By order of the Board



P Dolan
Secretary

29 May 2001



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 the group and of the profit or loss 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 a going concern basis unless it is inappropriate to presume 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



AUDITORS REPORT TO THE MEMBERS OF TOWERS THOMPSON HOLDINGS LTD

We have audited the financial statements on pages 7 to 22.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the directors' report and, as described on page 5, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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 with the company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We 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 group'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 the affairs of the company and the group as at 31 December 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors
Aquis Court
31 Fishpool Street
St. Albans
Hertfordshire
AL3 4RF

30 MAY 2001



CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note	Year Ended 31 December 2000 £'000	Year Ended 31 December 1999 £'000
Turnover	2	134,967	138,602
Cost of sales		<u>(121,146)</u>	<u>(123,629)</u>
Gross Profit		13,821	14,973
Distribution expenses		(2,548)	(2,995)
Administrative expenses		(9,511)	(10,349)
Operating Profit	4	<u>1,762</u>	<u>1,629</u>
Loss on sale and closure of continuing operations	5	(511)	-
Profit on Ordinary Activities before interest		<u>1,251</u>	<u>1,629</u>
Interest receivable and similar income	6	29	26
Interest payable and similar charges	7	<u>(409)</u>	<u>(314)</u>
Profit on Ordinary Activities before Taxation		871	1,341
Tax on profit on ordinary activities	8	(54)	(322)
Profit on Ordinary Activities after Taxation		<u>817</u>	<u>1,019</u>
Dividends	10	(300)	(285)
Retained Profit for the financial year	21	<u><u>517</u></u>	<u><u>734</u></u>

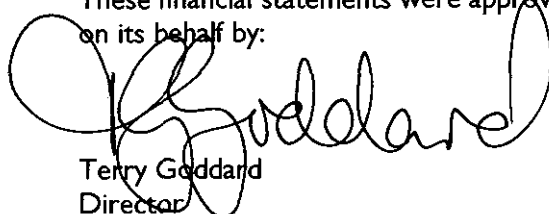
All the group's turnover and operating profit relate to continuing activities. There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical basis.



CONSOLIDATED BALANCE SHEET

	Note	2000 £'000	2000 £'000	1999 £'000	1999 £'000
Fixed Assets					
Tangible assets	12		1,259		1,276
Current Assets					
Stocks	14	8,177		10,072	
Debtors	15	13,600		14,660	
Investments	16	32		42	
Cash at bank and in hand		2,584		2,460	
		<u>24,393</u>		<u>27,234</u>	
Creditors due within one year	17	<u>(15,642)</u>		<u>(19,357)</u>	
Net current assets			<u>8,751</u>		<u>7,877</u>
Total assets less current liabilities			10,010		9,153
Creditors due after one year	18		(372)		-
Provision for liabilities and charges	19		<u>(200)</u>		<u>(200)</u>
Net assets			<u>9,438</u>		<u>8,953</u>
Capital and Reserves					
Called up share capital	20		142		142
Reserves	21		9,296		8,811
Shareholders' funds			<u>9,438</u>		<u>8,953</u>

These financial statements were approved by the board of directors on 29 May 2001 and were signed on its behalf by:



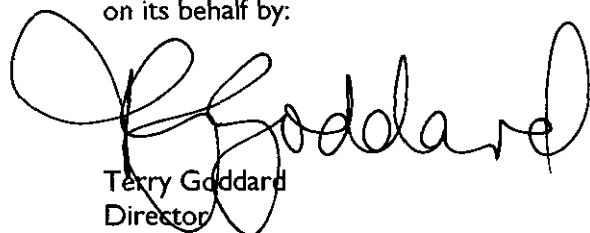
Terry Goddard
Director



COMPANY BALANCE SHEET

	Note	2000 £'000	2000 £'000	1999 £'000	1999 £'000
Fixed Assets					
Investments	13		7,625		7,625
Current Assets					
Investments	16	2		2	
Cash at bank and in hand		503		644	
		<u>505</u>		<u>646</u>	
Creditors due within one year	17	<u>(7,682)</u>		<u>(8,113)</u>	
Net current liabilities			<u>(7,177)</u>		<u>(7,467)</u>
Total assets less current liabilities			448		158
Net assets			<u>448</u>		<u>158</u>
Capital and Reserves					
Called up share capital	20		142		142
Reserves	21		306		16
Shareholders' funds			<u>448</u>		<u>158</u>

These financial statements were approved by the board of directors on 29 May 2001 and were signed on its behalf by:



Terry Goddard
Director



CONSOLIDATED CASH FLOW STATEMENT

	Note	2000 £'000	2000 £'000	1999 £'000	1999 £'000
Net Cash Flow from Operating Activities	(a)		2,972		(5,029)
Returns on Investments and Servicing of Finance					
Interest Paid		(409)		(314)	
Interest Received		29		26	
			(380)		(288)
Taxation			(196)		(179)
Capital Expenditure					
Purchase of tangible fixed assets		(737)		(552)	
Purchase of investments		-		(40)	
Sale of tangible fixed assets		276		28	
Sale of current investments		12		22	
			(449)		(542)
Acquisitions					
Cash received under indemnity from previous shareholder		-		231	
			-		231
Dividends			(285)		-
Cash Inflow/(Outflow) before financing			1,662		(5,807)
Financing					
Lease Purchase		464		-	
Share buy back		-		(8)	
			464		(8)
Increase/(Decrease) in cash in year			2,126		(5,815)

Note (a)

Operating profit as per accounts	1,762	1,629
Loss on sale and closure of continuing operations	(511)	-
Depreciation	336	347
Loss/(Profit) on sale of tangible fixed assets	141	(10)
(Profit) on sale of current investments	(2)	(7)
Amortisation of Goodwill	0	78
Decrease/(Increase) in Stock	1,895	(4,370)
Decrease/(Increase) in Debtors	1,076	(3,532)
(Decrease)/Increase in Creditors	(1,588)	870
Exchange movement on net current assets	(137)	(34)
Net Cash Inflow/(Outflow) from Operating Profit	2,972	(5,029)

CONSOLIDATED CASH FLOW STATEMENT CONTINUED

	At 1 January 2000	Cash Flows	New Leases	Exchange Difference	At 31 December 2000
	£'000	£'000	£'000	£'000	£'000
Analysis of Movement in Net Debt					
Cash	2,460	129	-	(5)	2,584
Bank Overdraft	(6,112)	1,997	-	111	(4,004)
Lease purchase due within one year	-	-	(92)	-	(92)
Lease purchase due after one year	-	-	(372)	-	(372)
	<u>(3,652)</u>	<u>2,126</u>	<u>(464)</u>	<u>106</u>	<u>(1,884)</u>
		2000			1999
		£'000			£'000

Reconciliation of Cash Flow to Movement in Net Debt

Increase/(Decrease) in cash in hand	2,126	(5,815)
Less Cash inflow from increase in debt	(464)	-
Change in net cash/(debt) resulting from cash flows	<u>1,662</u>	<u>(5,815)</u>
Translation differences	106	(124)
Movement in net cash/(debt) in year	<u>1,768</u>	<u>(5,939)</u>
Net (debt)/funds at beginning of year	<u>(3,652)</u>	<u>2,287</u>
Net debt at end of year	<u>(1,884)</u>	<u>(3,652)</u>

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2000 £'000	1999 £'000
Profit attributable to members of the Company before dividends	817	1,019
Translation loss	(32)	(168)
Total recognised gains for the year	<u>785</u>	<u>851</u>

MOVEMENTS ON SHAREHOLDERS' FUNDS

	The Group 2000 £'000	The Company 2000 £'000	The Group 1999 £'000	The Company 1999 £'000
Profit/(loss) after tax for the financial year	817	(10)	1,019	(90)
Dividend receivable	-	600	-	400
Dividend payable	<u>(300)</u>	<u>(300)</u>	<u>(285)</u>	<u>(285)</u>
	517	290	734	25
Translation loss	(32)	-	(168)	-
Share capital cancelled	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>(8)</u>
	485	290	558	17
Opening shareholders' funds	8,953	158	8,395	141
Closing shareholders' funds	<u>9,438</u>	<u>448</u>	<u>8,953</u>	<u>158</u>



NOTES TO THE ACCOUNTS

I. ACCOUNTING POLICIES

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

Accounting Convention

The accounts have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules, modified to include the revaluation of certain land and buildings.

Basis of Consolidation

The consolidated accounts comprise the accounts of the company and its subsidiary undertakings at 31 December 2000. The acquisition method of consolidation has been adopted. Under this method, the results of subsidiary undertakings are accounted for in the consolidated profit and loss account from the date of acquisition, or up to the effective date of disposal.

As all subsidiaries are 100% owned the company has taken advantage of the exemption in paragraph 3 of FRS 8 not to disclose transactions and balances with companies forming part of the Towers Thompson Holdings Limited Group.

Goodwill Arising on Consolidation

Goodwill represents the excess of the purchase price paid for an acquired business over the fair value of their identifiable net assets at the respective dates of acquisition.

Negative goodwill arises when the cost of an acquired business is less than the aggregate fair values of the identifiable assets and liabilities within that business. Under FRS 10 negative goodwill is released to the profit and loss account over the period expected to be benefited. In the case of monetary assets this will be the period in which the underlying assets are realised as a gain or loss.

Turnover

Turnover represents the invoiced value of sales during the year excluding transactions between companies within the group and excluding value added tax where applicable.

Depreciation and Amortisation

The cost or valuation of tangible fixed assets, is written off on a straight line basis over their estimated useful lives. Principal rates of depreciation in use by the group are:-

Freehold buildings	-	50 - 100 years
Leasehold property	-	Period of Lease
Plant and equipment	-	15%-20% per annum
Motor vehicles	-	20%-25% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises purchase price including freight, insurance, landing charges and transport.

Investments

Current asset investments are stated at cost.



NOTES TO THE ACCOUNTS CONTINUED...

1. ACCOUNTING POLICIES - (Continued)

Deferred Taxation

Provision is calculated under the liability method for deferred tax resulting from timing differences between profits computed for tax purposes and profits as stated in the accounts. Provision is made to the extent that the liability is expected to crystallise in the foreseeable future.

Foreign Currency Translation

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

The accounts of foreign subsidiaries are translated into sterling at the closing rate of exchange and differences arising from the translation of the opening net investment in the subsidiary at the closing rate are taken directly to reserves including loans and investments of a non current nature. Other exchange differences are dealt with through the profit and loss account.

Lease Purchase and operating leases

Assets held under lease purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. Interest is charged to the profit and loss account in proportion to the capital repayments outstanding. Rentals payable under operating leases are charged against income on a straight line basis over the life of the lease.

Pension

The group operates a defined contribution scheme and a defined benefit scheme, details of which are set out in note 3.

2. ANALYSIS OF TURNOVER AND PROFIT BEFORE TAXATION

All the group's turnover and profit before taxation is derived from the group's main activity, meat and poultry wholesaling.

Turnover is analysed by geographical market as follows:

	2000 £'000	1999 £'000
United Kingdom	91,987	93,536
Europe	18,811	14,728
Rest of the World	24,169	30,338
	<u>134,967</u>	<u>138,602</u>



NOTES TO THE ACCOUNTS CONTINUED...

3. EMPLOYEES AND DIRECTORS

	2000 £'000	1999 £'000
Wages and salaries	5,567	5,482
Social security costs	471	469
Other pension costs	121	145
	<u>6,159</u>	<u>6,096</u>

The group principally operates two Pension Schemes, the Towers Thompson Limited Retirement and Death Benefit Scheme (the Towers Scheme) and the John Silver Limited Pension & Life Assurance Scheme (the John Silver Scheme). The Schemes Funds are administered by Trustees who are independent of the group's finances.

Contributions in respect of the Towers Scheme are determined on a money purchase (defined contribution) basis and the pension costs of £91,000 (1999: £85,000) reflects the amount of contributions paid during the calendar year.

The pension costs in respect of the John Silver Scheme have been assessed in accordance with the advice of a qualified actuary using the projected unit and credit method. The pension costs for 2000 were £29,000 (1999: £20,000).

An actuarial review of the John Silver Scheme was carried out as at 31 October 1999 with the principle actuarial assumptions being that investment returns will exceed price inflation by 5% per annum and salary escalation by 2.5% per annum with pensions in payment increasing as required by statute and in accordance with the rules of the Scheme. At the date of this review the value of the assets was £985,000, which is sufficient to cover 113% of the benefits accrued to members (after allowing for future salary increases).

The average number of employees, including directors, during the year was as follows:

	2000 Number	1999 Number
Management	12	13
Administration	48	61
Production & distribution	191	190
	<u>251</u>	<u>264</u>

The emoluments of the directors were as follows:

	2000 £'000	1999 £'000
Remuneration paid to executive directors	316	311
Pension contributions	8	9
	<u>324</u>	<u>320</u>



NOTES TO THE ACCOUNTS CONTINUED...

3. EMPLOYEES AND DIRECTORS continued...

The remuneration paid to the Chairman, who is also the highest paid director, excluding pension contributions, amounted to £180,000 (1999: £187,000). Pension contributions of £2,000 (1999: £5,000) were paid on behalf of the Chairman during the year. Both directors accrued retirement benefits under a company defined benefit scheme in both the current and the previous year.

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2000 £'000	1999 £'000
Auditors' remuneration:		
Auditing services	74	98
Other services	8	86
Operating lease charges:		
Plant & Machinery	436	540
Property	504	516
Depreciation – owned assets	308	347
- leased assets	28	-
Positive goodwill charged to cost of sales	-	78
(Profit) on disposal of fixed assets	(53)	(10)

5. LOSS ON SALE AND CLOSURE OF CONTINUING OPERATIONS

	2000 £'000	1999 £'000
Loss on disposal of fixed assets	194	-
Closure costs	317	-
	<u>511</u>	<u>-</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £'000	1999 £'000
On bank deposits	29	26

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £'000	1999 £'000
On bank loans and overdrafts repayable within five years	409	306
Other Interest	-	8
	<u>409</u>	<u>314</u>



NOTES TO THE ACCOUNTS CONTINUED...

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £'000	1999 £'000
Corporation tax at 30.00% (1999: 30.25%)	200	230
Over provision from prior years	(148)	-
Overseas taxation	2	92
	<u>54</u>	<u>322</u>

9. PROFIT FOR THE FINANCIAL YEAR

In accordance with section 230(4) of the Companies Act 1985 the company is exempt from the requirements to present its own profit and loss account in these financial statements. The profit for the financial year dealt with in the financial statements of the company was £590,000 (1999: profit £310,000).

10. DIVIDENDS

	2000 £'000	1999 £'000
Final proposed dividend of 21.06 pence per share (1999 – 20.00 pence per share)	300	285

11. INTANGIBLE ASSETS

	Goodwill 2000 £'000	Goodwill 1999 £'000
Cost		
At 1 January	78	-
Additions in the year	-	78
At 31 December	<u>78</u>	<u>78</u>
Provisions for amortisation		
At 1 January	(78)	-
Charged in the year	-	(78)
At 31 December	<u>(78)</u>	<u>(78)</u>
Net book value		
At 1 January and 31 December	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS CONTINUED...

12. TANGIBLE FIXED ASSETS

The Group	Freehold Land and Buildings £'000	Short Leasehold Property £'000	Plant Equipment and Vehicles £'000	Total £'000
Cost or Valuation				
At 1 January 2000	575	133	5,384	6,092
Exchange Difference	-	-	(3)	(3)
Additions	19	-	718	737
Disposals	(455)	-	(2,319)	(2,774)
At 31 December 2000	<u>139</u>	<u>133</u>	<u>3,780</u>	<u>4,052</u>
Depreciation				
At 1 January 2000	188	56	4,572	4,816
Reclassification	(30)	30	-	-
Exchange Difference	-	-	(2)	(2)
Charge for Year	3	16	317	336
Disposals	(161)	-	(2,196)	(2,357)
At 31 December 2000	<u>-</u>	<u>102</u>	<u>2,691</u>	<u>2,793</u>
Net Book Value				
At 31 December 2000	<u>139</u>	<u>31</u>	<u>1,089</u>	<u>1,259</u>
At 1 January 2000	<u>387</u>	<u>77</u>	<u>812</u>	<u>1,276</u>

The net book value of Plant, Equipment and Vehicles includes an amount of £435,000 in respect of assets held under lease purchase contracts (1999: nil). Depreciation charged to the profit and loss account on these assets during the year was £28,000 (1999: nil). Depreciation is not charged on freehold land, which is stated at historical cost of £120,000 (1999: £120,000).

NOTES TO THE ACCOUNTS CONTINUED...

13. FIXED ASSET INVESTMENTS

Shares in Subsidiary
Undertakings
£'000

The Company

At 1 January and 31 December 2000

7,625

The principal subsidiary undertakings all of which are wholly owned are as follows:

Operating Subsidiary	Activity	Ordinary Share Capital
Towers & Co Ltd	Meat Wholesaler	100%
Towers Thompson A/S	Meat Wholesaler	100%
Towers Thompson (Australia) Pty Ltd	Meat Wholesaler	100%
Towers Thompson (New Zealand) Ltd	Meat Wholesaler	100%

These subsidiaries are incorporated in the UK, Denmark, Australia and New Zealand respectively. The results of these companies are included within these financial statements.

14. STOCKS

	The Group 2000 £'000	The Company 2000 £'000	The Group 1999 £'000	The Company 1999 £'000
Raw materials and consumables	-	-	65	-
Finished goods	8,177	-	10,007	-
	<u>8,177</u>	<u>-</u>	<u>10,072</u>	<u>-</u>

15. DEBTORS

	The Group 2000 £'000	The Company 2000 £'000	The Group 1999 £'000	The Company 1999 £'000
Amounts falling due within one year				
Trade debtors	13,223	-	13,945	-
Other debtors including VAT	337	-	503	-
Prepayments and accrued income	40	-	212	-
	<u>13,600</u>	<u>-</u>	<u>14,660</u>	<u>-</u>

16. CURRENT ASSET INVESTMENTS

	The Group 2000 £'000	The Company 2000 £'000	The Group 1999 £'000	The Company 1999 £'000
At 31 December 2000:				
Cost value of listed investments	32	2	42	2
Market value of listed investments	<u>15</u>	<u>1</u>	<u>27</u>	<u>1</u>



NOTES TO THE ACCOUNTS CONTINUED...

17. CREDITORS DUE WITHIN ONE YEAR

	The Group	The Company	The Group	The Company
	2000	2000	1999	1999
	£'000	£'000	£'000	£'000
Lease purchase	92	-	-	-
Bank overdrafts	4,004	-	6,112	-
Trade creditors	6,481	-	7,798	-
Amount owed to subsidiary undertakings	-	7,372	-	7,785
Corporation tax	92	-	218	-
Other taxes and social security	425	-	576	-
Dividends	300	300	285	285
Other creditors	415	-	380	-
Accruals and deferred income	3,833	10	3,988	43
	<u>15,642</u>	<u>7,682</u>	<u>19,357</u>	<u>8,113</u>

The majority of the group's bank overdrafts are secured by a debenture.

18. CREDITORS DUE AFTER ONE YEAR

	The Group	The Company	The Group	The Company
	2000	2000	1999	1999
	£'000	£'000	£'000	£'000
Lease purchase	<u>372</u>	<u>-</u>	<u>-</u>	<u>-</u>

The lease purchase creditor is repayable as follows:

	£'000
Within one year	92
Between one and two years	92
Between two and five years	280
	<u>464</u>

19. PROVISIONS FOR LIABILITIES AND CHARGES

	The Group Other Provisions £'000
At 1 January and 31 December 2000	<u>200</u>

No deferred tax is provided on the basis that no liability is expected to crystallise in the foreseeable future. The group has not recognised the deferred tax asset in these accounts. The unprovided balance is analysed below:-

	The Group
	2000 £'000
	1999 £'000
Accelerated capital allowances	(237)
Other timing differences	(667)
	<u>(904)</u>



NOTES TO THE ACCOUNTS CONTINUED...

20. SHARE CAPITAL

	At 1 January and 31 December 2000 £'000
Equity: Authorised	
1,500,000 ordinary shares of £0.10 each	<u>150</u>
Equity: Allotted, Called Up and Fully Paid	
1,425,000 ordinary shares of £0.10 each	<u>142</u>

On 13 April 2000 each of the 150,000 Ordinary Shares of £1 each, being all the issued and the authorised by but unissued shares in the Company, have been divided into ten ordinary shares of ten pence each.

On 14 April 2000 options were granted to employees over 55,900 ordinary shares of ten pence each at an exercise price of £5.50. The options are exercisable between 3 and 10 years, subject to the business being sold or obtaining a quotation on a recognised Stock Exchange.

21. RESERVES

	Capital Redemption Reserve	Profit and Loss Account	Total
	£'000	£'000	£'000
The Group			
At 1 January 2000	8	8,803	8,811
Profit for the year	-	517	517
Translation loss	-	(32)	(32)
At 31 December 2000	<u>8</u>	<u>9,288</u>	<u>9,296</u>
The Company			
At 1 January 2000	8	8	16
Profit for the year	-	290	290
At 31 December 2000	<u>8</u>	<u>298</u>	<u>306</u>

NOTES TO THE ACCOUNTS CONTINUED...

22. COMMITMENTS

The minimum annual lease payments to which the group and the company were committed under non-cancellable operating leases at 31 December 2000 were as follows:

	Property	Plant Equipment & Vehicles	Property	Plant Equipment & Vehicles
	2000	2000	1999	1999
	£'000	£'000	£'000	£'000
The Group and the Company				
On leases expiring:				
Within one year	91	61	82	126
Between two and five years	204	151	80	197
After five years	11	-	195	-
	<u>306</u>	<u>212</u>	<u>357</u>	<u>323</u>