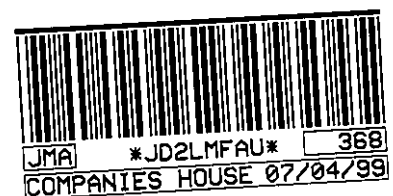


Company Number: 501154

KAY'S (RAMSBOTTOM) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 1998

Prepared by:
Percy Westhead & Company
Chartered Accountants
61 Mosley Street
MANCHESTER
M2 4AD



KAY'S (RAMSBOTTOM) LIMITED

COMPANY INFORMATION

Directors

Mr. A. Yates
Mr. R. Kenyon
Mr. A. Rogers
Mr. S. Yates
Mr. A. Kenyon

Secretary

Mr. R. Kenyon

Company Number

501154

Registered Office

Britannia Works
RAMSBOTTOM
Lancashire
BL0 0AE

Auditor

Percy Westhead & Company
61 Mosley Street
MANCHESTER
M2 4AD

Bankers

Barclays Bank PLC
Bolton Business Centre
The Wellsprings
BOLTON
BL1 1BY

KAY'S (RAMSBOTTOM) LIMITED

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KAY'S (RAMSBOTTOM) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST OCTOBER 1998

The directors present their report together with the audited accounts for the year ended 31st October 1998.

Principal Activities and Review of Business

The company's principal activity continued to be that of the manufacture, processing and sale of textile, laundry and household soaps and soap based products.

The company's turnover increased this year and the directors anticipate that turnover will continue to increase in the forthcoming year.

The directors consider the state of the company's affairs to be satisfactory.

Dividends

The directors do not recommend a dividend.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary Shares	
	31st October 1998	1st November 1997
Mr. A. Yates	9,825	9,825
Mr. R. Kenyon	6,875	6,875
Mr. A. Rogers	9,925	9,925
Mr. S. Yates	100	100
Mr. A. Kenyon	100	100

The director retiring by rotation is Mr. R. Kenyon who, being eligible, offers himself for re-election.

Year 2000 Compliance

The directors are aware of the impact of year 2000 compatability on the company, its suppliers and its customers. A detailed assessment of the potential problems has been made and assurances regarding compatibility have been sought where applicable. The directors do not anticipate that the total costs likely to be incurred in dealing with the impact of the year 2000 will be significant.

KAY'S (RAMSBOTTOM) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST OCTOBER 1998

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts the directors are required to:

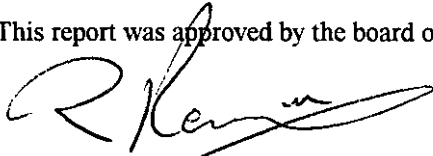
Select suitable accounting policies and then apply them consistently;

Make judgments and estimates that are reasonable and prudent;

Prepare the accounts 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 enable them to ensure that the accounts 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.

This report was approved by the board on 22 MAR 1999 and signed on its behalf.



Mr. R. Kenyon
Secretary

AUDITOR'S REPORT TO KAY'S (RAMSBOTTOM) LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 16 together with the accounts of Kay's (Ramsbottom) Limited for the year ended 31st October 1998 prepared under Section 226 of the Companies Act 1985.

Respective Responsibilities of Directors and Auditor

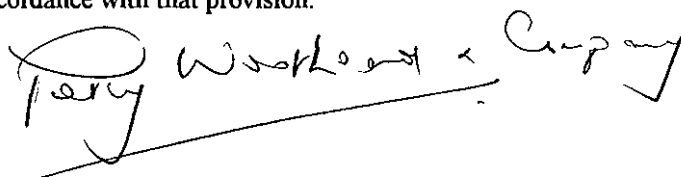
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of Opinion

We have carried out procedures we considered necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.



Percy Westhead & Company
Chartered Accountants and Registered Auditor
61 Mosley Street
MANCHESTER
M2 4AD

Date: 22 MAR 1999

KAY'S (RAMSBOTTOM) LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST OCTOBER 1998**

	Notes	1998 £	1997 £
Gross Profit		2,057,749	2,031,241
Administrative expenses		<u>(1,938,161)</u>	<u>(1,892,559)</u>
Operating Profit	6	119,588	138,682
Income from fixed asset investments		<u>14,743</u>	<u>-</u>
		134,331	138,682
Interest payable and similar charges	8	<u>(57,917)</u>	<u>(39,175)</u>
Profit on Ordinary Activities before Taxation		76,414	99,507
Tax on profit on ordinary activities	9	<u>(13,009)</u>	<u>(12,154)</u>
Profit for the Financial Year	20	63,405	87,353
Retained Profit Brought Forward		<u>1,078,312</u>	<u>990,959</u>
Retained Profit Carried Forward		<u><u>1,141,717</u></u>	<u><u>1,078,312</u></u>

All amounts relate to continuing activities.

KAY'S (RAMSBOTTOM) LIMITED**ABBREVIATED BALANCE SHEET****AS AT 31ST OCTOBER 1998**

	Notes	£	1998 £	£	1997 £
Fixed Assets					
Tangible assets	10		1,155,943		955,287
Investments	11		4,896		4,896
			<u>1,160,839</u>		<u>960,183</u>
Current Assets					
Stocks	12	352,222		390,368	
Debtors	13	908,242		780,525	
Cash at bank and in hand		9,563		16,660	
			<u>1,270,027</u>	<u>1,187,553</u>	
Creditors: Amounts Falling Due Within One Year	14	(922,328)		(783,130)	
Net Current Assets			<u>347,699</u>		<u>404,423</u>
Total Assets Less Current Liabilities			<u>1,508,538</u>		<u>1,364,606</u>
Creditors: Amounts Falling Due After More Than One Year	15		(223,821)		(166,294)
Provision for Liabilities and Charges					
Deferred taxation	18		(113,000)		(90,000)
			<u>1,171,717</u>		<u>1,108,312</u>
Capital and Reserves					
Share capital	19		26,825		26,825
Capital redemption reserve	20		3,175		3,175
Profit and loss account	20		1,141,717		1,078,312
Shareholders' Funds	21		<u>1,171,717</u>		<u>1,108,312</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These accounts were approved by the board on 22 MAR 1999 and signed on its behalf.


Mr. A. Rogers
Director

KAY'S (RAMSBOTTOM) LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31ST OCTOBER 1998**

	Notes	1998 £	1997 £
CASH FLOW STATEMENT			
Net Cash Inflow from Operating Activities	25	359,317	129,310
Returns on Investments and Servicing of Finance	26	(40,724)	(37,385)
Taxation		(5,616)	(3,213)
Capital Expenditure and Financial Investment	26	(317,207)	(232,391)
Financing	26	138,572	41,506
Increase in Cash		<u>134,342</u>	<u>(102,173)</u>
Reconciliation of Net Cash Flow to Movement in Net Debt			
Increase in Cash in the Year		134,342	(102,173)
Cash inflow from increase in net debt and lease financing	27	<u>(138,572)</u>	<u>(41,506)</u>
Increase in Net Debt	27	(4,230)	(143,679)
Net Debt at 1st November 1997		<u>(532,018)</u>	<u>(388,339)</u>
Net Debt at 31st October 1998	27	<u>(536,248)</u>	<u>(532,018)</u>

KAY'S (RAMSBOTTOM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Income from Investments

Investment income comprises dividends declared during the accounting period.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives. The rates and periods generally applicable are:

Freehold properties	4% p.a. reducing balance
Leasehold properties	4% p.a. reducing balance
Plant and machinery	
- Plant and machinery	10% p.a. reducing balance
- Fixtures, fittings and equipment	25% p.a. reducing balance
Motor vehicles	12.5% / 25% p.a. reducing balance

Investments

Investments are included at cost.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is arrived at as follows:

Raw materials	- purchase cost on a first-in, first-out basis together with carriage inward charges.
Work in progress and finished goods	- cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

KAY'S (RAMSBOTTOM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Contribution to Pension Funds

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments is charged to the Profit and Loss Account on a straight line basis over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.

2 **Subsidiary Undertakings**

Name of company	Country of registration (or incorporation and operation)	Holding	Proportion of voting rights and shares held	Nature of business
Special Soap Products Limited	England	4,800 ordinary shares	100%	Soap manufacturer

The aggregate amount of capital and reserves of Special Soap Products Limited as at 31st October 1998 was £4,800 (1997 £28,880). Its loss for the year ended 31st October 1998 was £9,337 (1997 loss £4,964).

During the year the company invoiced Special Soap Products Limited £138,839 in respect of purchases and £68,528 in respect of production line rentals and management charges for the use of facilities.

At 31st October 1998 the amount due to Special Soap Products Limited was £1,724 (1997 £125,524 due from Special Soap Products Limited).

KAY'S (RAMSBOTTOM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

3 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	1998	1997
	£	£
Wages and salaries	733,687	677,068
Social security costs	61,579	55,653
Other pension costs	77,931	62,429
	<u>873,197</u>	<u>795,150</u>

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

	1998	1997
	Number	Number
Production	39	35
Administration and selling	12	12
	<u>51</u>	<u>47</u>

Directors' emoluments

	1998	1997
	£	£
Emoluments	241,863	213,456
Directors' pension contributions under defined contribution schemes	63,078	56,406
	<u>304,941</u>	<u>269,862</u>

Retirement benefits were accruing to directors under schemes as follows:-

	1998	1997
	Number	Number
Money purchase schemes	4	5

The highest paid director received emoluments and benefits as follows:-

	1998	1997
	£	£
Emoluments	67,668	58,830
Contributions to money purchase pension schemes	23,629	26,958
	<u>91,297</u>	<u>85,788</u>

KAY'S (RAMSBOTTOM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

4 Transactions with Directors

During the year the company provided loans to directors as follows:

R. Kenyon, a director. The outstanding amounts were as follows: beginning of year: £611; end of year: £356; maximum during the year: £611.

A. Rogers, a director. The outstanding amounts were as follows: beginning of year: £-; end of year: £331; maximum during the year: £665.

A. Kenyon, a director. The outstanding amounts were as follows: beginning of year: £487; end of year: £742; maximum during the year: £742.

5 Turnover

No disclosure in respect of turnover is required in these accounts.

6 Operating Profit

<i>The operating profit is arrived at after charging or crediting:</i>	1998	1997
	£	£
Depreciation of owned assets	85,784	70,992
Depreciation of assets held under finance leases and hire purchase	30,767	16,254
Profit on disposal of fixed assets	-	(3,266)
Auditor's remuneration	6,500	6,500
Hire of equipment - operating leases	44,139	44,587
Rental income	(9,770)	(16,310)

7 Pension Schemes

The company operates defined contribution pension schemes for the benefit of its employees and directors. The assets of the schemes are administered by trustees in funds independent from those of the company.

The total contributions paid in the year amounted to £77,931 (1997 £62,429).

8 Interest Payable and Similar Charges

	1998	1997
	£	£
Bank overdrafts and loans	44,978	29,121
Finance leases and hire purchase contracts	12,939	10,054
	<u>57,917</u>	<u>39,175</u>

KAY'S (RAMSBOTTOM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

9 Taxation

	1998 £	1997 £
Based on the profit for the year		
UK corporation tax at 21% (1997 22.25%)	(9,991)	15,607
Deferred tax charge	23,000	(4,000)
	13,009	11,607
Prior periods		
UK corporation tax	-	547
	13,009	12,154

10 Tangible Fixed Assets

	Freehold Land and Buildings	Long Leasehold Land and Buildings	Plant and Machinery	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1st November 1997	125,000	380,320	1,428,551	57,705	1,991,576
Additions	-	12,357	296,955	7,895	317,207
At 31st October 1998	125,000	392,677	1,725,506	65,600	2,308,783
Depreciation					
At 1st November 1997	38,434	122,057	864,880	10,918	1,036,289
Charge for the year	3,463	10,824	90,981	11,283	116,551
At 31st October 1998	41,897	132,881	955,861	22,201	1,152,840
Net Book Value					
At 31st October 1998	83,103	259,796	769,645	43,399	1,155,943
<i>At 31st October 1997</i>	<i>86,566</i>	<i>258,263</i>	<i>563,671</i>	<i>46,787</i>	<i>955,287</i>

Assets held under finance leases originally cost £268,523 (1997: £159,651) and have a net book value of £221,987 (1997: £141,006).

KAY'S (RAMSBOTTOM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

11 Fixed Assets Investments

	Shares in Group Undertakings
Cost	£
At 1st November 1997 and at 31st October 1998	4,896

The company owns the whole of the issued share capital of Special Soap Products Limited as referred to in note 2.

12	Stocks	1998 £	1997 £
	Raw materials and consumables	103,025	107,836
	Work in progress	105,446	109,400
	Finished goods and goods for resale	143,751	173,132
		<u>352,222</u>	<u>390,368</u>

13	Debtors	1998 £	1997 £
	Trade debtors	821,788	628,452
	Amounts owed by group undertakings	-	125,524
	Other debtors	10,521	785
	Prepayments and accrued income	74,503	24,666
	Directors' loan accounts (Note 4)	1,430	1,098
		<u>908,242</u>	<u>780,525</u>

14	Creditors: Amounts Falling Due Within One Year	1998 £	1997 £
	Bank loans (Note 16)	133,752	39,501
	Bank overdraft (Note 16)	128,916	270,355
	Obligations under hire purchase and finance lease contracts (Note 17)	59,322	72,528
	Trade creditors	487,762	325,885
	Amounts owed to group undertakings	1,724	-
	Corporation tax	-	15,607
	Other taxes and social security	21,193	16,498
	Value added tax	47,389	15,495
	Accruals and deferred income	42,270	27,261
		<u>922,328</u>	<u>783,130</u>

KAY'S (RAMSBOTTOM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

15	Creditors: Amounts Falling Due After One Year	1998	1997
		£	£
	Bank loans (Note 16)	195,824	134,542
	Obligations under hire purchase and finance lease contracts (Note 17)	27,997	31,752
		<u>223,821</u>	<u>166,294</u>
16	Loans	1998	1997
		£	£
	Amounts repayable:		
	In one year or less, or on demand	262,668	309,856
	Between two and five years	195,824	134,542
		<u>458,492</u>	<u>444,398</u>
17	Obligations Under Hire Purchase and Finance Leases	1998	1997
		£	£
	Obligations under finance leases and hire purchase contracts are analysed:		
	Current obligations	59,322	72,528
	Obligations due between one and five years	27,997	31,752
		<u>87,319</u>	<u>104,280</u>

Creditors under these agreements retain an interest in the underlying assets referred to in note 10.

18 Deferred Taxation

The movements in deferred taxation during the current and previous years are as follows:

	1998	1997
	£	£
At 1st November 1997	90,000	94,000
Movement in the year	23,000	(4,000)
At 31st October 1998	<u>113,000</u>	<u>90,000</u>

Deferred taxation provided for in the accounts is set out below. There are no amounts of deferred tax which have not been provided.

which have not been provided.	Amount Provided	
	1998	1997
	£	£
Accelerated capital allowances	113,000	90,000

KAY'S (RAMSBOTTOM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

19	Share Capital	1998	1997
		£	£
	Authorised		
	Equity Shares		
	30,000 Ordinary shares of £1.00 each	<u>30,000</u>	<u>30,000</u>
	Allotted		
	Equity Shares		
	26,825 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>26,825</u>	<u>26,825</u>
20	Reserves		
		Capital Redemption Reserve	Profit and Loss Account
		£	£
	At 1st November 1996	3,175	990,959
	Profit for the year	-	87,353
	At 1st November 1997	3,175	1,078,312
	Profit for the year	-	63,405
	At 31st October 1998	<u>3,175</u>	<u>1,141,717</u>
21	Reconciliation of Shareholders' Funds	1998	1997
		£	£
	Profit for the financial year	63,405	87,353
	Opening shareholders' funds	<u>1,108,312</u>	<u>1,020,959</u>
	Closing shareholders' funds	<u><u>1,171,717</u></u>	<u><u>1,108,312</u></u>
22	Secured Creditors		
	The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.		
	The company has given an unlimited guarantee in respect of the bank overdraft of its subsidiary undertaking, Special Soap Products Limited. At 31st October 1998, this amounted to £NIL (1997 £NIL).		
23	Capital Commitments		
	The company had the following capital commitments:	1998	1997
		£	£
	Contracted for but not provided in the financial statements	<u>15,000</u>	<u>155,231</u>

KAY'S (RAMSBOTTOM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

24 Operating Lease Commitments

At 31 October 1998 the company had annual commitments under non-cancellable operating leases, other than land and buildings, as set out below:

	1998	1997
	£	£
Operating leases which expire:		
Within one year	13,100	11,880
Between two and five years	23,209	23,455
	<u>36,309</u>	<u>35,335</u>

25 Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	1998	1997
	£	£
Operating profit	119,588	138,682
Depreciation charges	116,551	87,246
Loss on sale of fixed assets	-	(3,266)
Decrease in stocks	38,146	(85,828)
Increase in debtors	(127,717)	(1,050)
Increase in other creditors	212,749	(6,474)
	<u>359,317</u>	<u>129,310</u>

26 Gross Cash Flows

	1998	1997
	£	£
Returns on Investments and Servicing of Finance		
Income from investments	14,743	-
Interest paid	(42,528)	(27,331)
Interest element of finance lease rentals payment	(12,939)	(10,054)
Net cash outflow for returns on investments and servicing of finance	<u>(40,724)</u>	<u>(37,385)</u>
Capital Expenditure and Financial Investment		
Payments to acquire tangible fixed assets	(317,207)	(260,891)
Proceeds from the sale of fixed assets	-	28,500
Net cash outflow from investing activities	<u>(317,207)</u>	<u>(232,391)</u>
Financing		
Increase in other loans due within 1 year	94,251	1,533
Increase/(Decrease) in bank loans due after more than 1 year	61,282	(39,765)
Capital element of finance lease rentals payments	(16,961)	79,738
Net cash inflow for financing	<u>138,572</u>	<u>41,506</u>

KAY'S (RAMSBOTTOM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

27 Analysis of Changes in Net Debt

	1997	Cash flows	1998
	£	£	£
Cash at bank and in hand	16,660	(7,097)	9,563
Overdrafts	(270,355)	141,439	(128,916)
	(253,695)	134,342	(119,353)
Debt due within 1 year	(39,501)	(94,251)	(133,752)
Debt due after 1 year	(134,542)	(61,282)	(195,824)
Finance leases	(104,280)	16,961	(87,319)
	(278,323)	(138,572)	(416,895)
	(532,018)	(4,230)	(536,248)