NOTICE OF ILLEGIBLE DOCUMENT

ON THE MICROFICE RECORD

Companies House regrets that the microfiche record for this company contain some documents which are illegible.

The poor quality has been noted, but unfortunately steps taken to improve them were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.

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CRANSWICK MILL GROUP plc

REPORT AND ACCOUNTS

1990

CRANSWICK MILL GROUP plc

CONTENTS

CRANSWICK MILL GROUP plc

DIRECTORS AND ADVISERS

Directors	Richard Marginson	(Chairman)
	James C. W. Bloom	(Deputy Chairman)
	Martin T. P. Davey	(Managing Director)
	Dr. Bernard Bell	
	Derek J. Black	
	Michael Field	
	Bernard Hoggarth	
Secretary and Registered Office	Martin T. P. Davey, F.C.A., The Airfield Cranswick, Driffield, North Humberside YO25 9PF	
Auditors	Ernst & Young, Chartered Accountants, Lowgate House, Lowgate, Hull HU1 1JJ	
Solicitors	Rollit, Farrell & Bladon, King William House, Market Place, Hull HU1 1YJ	
Bankers	Midland Bank plc, 12 Market Place, Driffield, North Humberside YO25 7AQ	
Merchant Bankers	Lloyds Merchant Bank Limited, 40-66 Queen Victoria Street, London EC4P 4EL	
Stockbrokers	James Capel & Co., James Capel House, P.O. Box 551, 6 Bevis Marks, London EC3A 7JQ	
Registrars	Regis Registrars Limited 390/398 High Road, Ilford Essex IG1 1NQ	

CRANSWICK MILL GROUP plc

NOTICE OF MEETING

Notice is hereby given that the 17th Annual General Meeting of the Company will be held at The Bell Hotel, Driffield, North Humberside on 30th July, 1990, at 11.30 a.m. for the following purposes:

1. To receive and adopt the Report of the Directors and the Accounts for the Year ended 31st March 1990.
2. To declare a Final Dividend of [illegible]p per share on the Ordinary Share Capital.
3. To re-elect R. [illegible] as a Director, who retires in accordance with the Company's Articles of Association notwithstanding that he is over seventy years of age having attained the age of seventy years on 2nd January last.
4. To re-elect M. Field as a Director, who retires in accordance with the Company's Articles of Association.
5. To re-appoint Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.
6. As Special Business to consider and, if thought fit, to pass the following Resolutions as Special Resolutions:

That 1. (a) The Directors be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £220,150 provided that this authority shall expire on the date of the next Annual General Meeting of the Company save that the Company may before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired, and

(b) The Directors be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot, pursuant to the said authority, equity securities (within the meaning of Section 94 of the said Act) as if sub-section (1) of Section 89 did not apply to any such allotment, provided that this power shall be limited

(i) To the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held by them, and

(ii) To the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £33,992.

(c) All existing authorities conferred under Sections 80 and 95 of the said Act be and they are hereby revoked, provided that such revocation shall not have retrospective effect.

2. Pursuant to Article [illegible] of the Articles of Association of the Company, the Company be and it is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163 of the Companies Act 1985) of ordinary shares of 10p each in the capital of the Company ("Ordinary Shares"), on such terms and in such manner as the Directors may determine, but subject to the following restrictions and provisions -

(a) the maximum number of Ordinary Shares hereby authorised to be purchased is 10 per cent of the Company's share capital then in issue.

(b) the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is 10p, being the nominal value.

(c) the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share is an amount equal to 105 per cent of the average of the middle marks for an Ordinary Share as derived from the USM Appendix to The Stock Exchange Daily Official List for the 10 business days immediately preceding the day on which the ordinary Share is purchased.

(d) unless previously revoked or varied this authority shall expire on whichever is the earlier of 29th January, 1992 or at the conclusion of the next Annual General Meeting of the Company to be held after the date hereof, and

(e) the Company may enter into a contract to purchase Ordinary Shares under this authority before the expiry of such authority, which will or may be completed or executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares pursuant to any such contract

The Airfield,
Cranswick,
Driffield,
N Humberside YO25 9PF

By Order of the Board
M T P Davey
Secretary

27th June, 1990

Notes:

(i) Any member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend and, on a poll, to vote in his place. A proxy need not be a member of the Company

To be valid proxies must be lodged with the Company's registrars not less than 48 hours before the time appointed for the meeting

(ii) The following documents are available at the registered office during business hours until the date of the Annual General Meeting.

a) A statement of the transactions of Directors (and their family interests) in the ordinary shares of the Company and its subsidiaries

b) Copies of Directors' Contracts of Service

c) A copy of the rules of the Executive Share Option Scheme

These documents will also be available for inspection during the Annual General Meeting and for at least fifteen minutes before it begins

CHAIRMAN'S STATEMENT

RESULTS

I am very pleased to be reporting record profits. Profits for the year before taxation are £[illegible] an increase of [illegible] over the 1989 pre-tax profits of £[illegible]. Operating profits were in excess of one million pounds for the first time at £1,[illegible] (1989 £[illegible]).

The increase in profits before taxation is reflected in the [illegible] increase in earnings per share. Earnings have risen from [illegible]p to [illegible]p per share.

Indebtedness in the form of bank borrowings at the year end was £[illegible] compared to £[illegible] previously. Measured against shareholders' funds of £4,[illegible] this represents a gearing level of just [illegible].

DIVIDENDS

The increased profitability of the Group this year vindicates the Board's policy in the previous two years of maintaining dividend levels during very difficult trading conditions. As anticipated the dividend cover is now restored to a more satisfactory level of 1.6 times. The Board is proposing to pay a maintained final dividend of 3.7p per share and will consider an increase in the dividend next year subject to the level of profitability of the Group. The dividend will be paid on 31st July 1990 to shareholders on the register at the close of business on [illegible]th July 1990. The total dividend for the year is [illegible]p per share.

REVIEW

Pig Feed Manufacturing

The performance of the Feed Division has been pleasing. The investment in a plant to manufacture specialist pig feed for young pigs, to which I referred in my statement to shareholders last year, has been a success. The production of a high quality diet from this plant has been an important factor in increasing the sales of such feed and in exploiting export opportunities. We are optimistic that export sales can be increased.

Despite a reduction in the size of the national pig herd, total feed sales were similar to those achieved in the previous year, reflecting an increased market share. Sales in the current year are ahead of those achieved in the same period last year.

Pig Rearing and Marketing

Increased pig prices and higher turnover in pig marketing were significant factors in the good performance of the Livestock Division. The pig marketing activities in the North West are developing successfully and are an increasingly important aspect of the Livestock Division's activities.

During the year a pig marketing joint venture was established in East Anglia. Our partners in this are [illegible] of [illegible] Limited, pig feed manufacturers based in Norfolk. The pig marketing expertise of Cranswick allied to [illegible] in depth knowledge of the pig industry in the area, should provide the foundation for a successful partnership.

Pork Products

Improved profitability in pig meat processing was achieved by increasing the volume of higher added value products being processed. Additional premises for the manufacture of pork products have been acquired since the year end and further expansion of these activities is envisaged.

Grain Drying, Storing and Merchanting

Emphasis on further added value products was also a feature of the grain merchanting activities providing an increase in the contribution to Group profits from the Grain Division. The Division has been successful in establishing itself in the malting barley market during the year and has developed strong trading relationships with major maltsters, brewers and distillers. Investment in grain dressing and grading equipment since the end of the year should contribute to the success of these activities in the year ahead.

CRANSWICK MILL GROUP plc

THE BOARD
I will be retiring at the Annual General Meeting and having reached the age of [illegible] years I would not normally be seeking re-election. However, following [illegible] with the Board of Directors I shall remain on the Board for a further year, if re-elected by shareholders.

PURCHASE OF OWN SHARES
Reference is made in the Notice of Meeting and the Directors' Report to provisions for the Company to purchase its own ordinary shares in the market. The Board has no immediate plans to make such purchases and would only do so if it considered that this would increase the expected earnings per share and was in the best interests of the Company at the time.

STAFF
The record profits achieved this year would not have been possible without the efforts and commitment of the Group's employees. I thank them all on behalf of the Board.

OUTLOOK
In previous statements to shareholders I have commented on the very competitive nature of the markets in which the Group operates. The last eighteen months have witnessed considerable rationalisation in these markets, more particularly those in which the Feed and Grain [illegible] operate. The trend looks set to continue and should result in a more stable and profitable industry.

The current year has commenced well.

- Increased feed sales compared to last year
- The continuing higher pig prices should enhance the margins achieved in pig [illegible]
- Increased sales of pork products
- Grain merchanting activities anticipate better trading opportunities

With these factors in mind, the Board views the year ahead with optimism.

P. Marg[illegible]
[illegible]th June 19[illegible]

REPORT OF THE DIRECTORS

The Directors submit their report and the audited accounts of the Group for the year ended 31st March 1990

Principal Activities

The principal activities of the Group are the manufacture of animal feeds, the rearing and marketing of pigs, the supply of pork products and the merchanting and storing of grain

Results and Dividends

The profit before taxation was £921,000 (1989 £670,000)
An interim dividend of 1.85p per ordinary share was paid on 29th January 1990. The Directors now recommend the payment of a final dividend for the year of 3.7p per ordinary share which, together with the interim dividend, represents 5.55p per ordinary share totalling £377,336 (1989 5.55p per ordinary share totalling £377,200)
Subject to approval at the Annual General Meeting, the final dividend will be paid on 31st July 1990 to members on the register at the close of business on 19th July 1990
After the above dividend and a taxation charge of £328,000 (1989 £233,000) the retained profit for the year is £219,000 (1989 £60,000)

Fixed Assets

The additions to tangible fixed assets are summarised in note 9 to the accounts

The Group's freehold and leasehold properties were valued in the year ended 31st March 1983 at £1,550,000 which, at that time, represented £612,000 in excess of the book written down amount

Directors

The Directors of the Company at the end of the year are as stated on page 1. H. Fraser retired on 31st July 1989. M. Field retires in accordance with the Articles of Association and, being eligible, offers himself for re-election. F. Margerison retires in accordance with the Articles of Association and offers himself for re-election. Having attained the age of seventy, in accordance with the Articles of Association it is necessary for his re-election to be expressly approved by the Members of the Company

The interests of the Directors as defined by the Companies Act 1985 in the ordinary shares of the Company were as follows

	31st March 1990		1st April 1989	
	Ordinary Shares	Options	Ordinary Shares	Options
F Margerison	171,600	-	171,600	-
M Field	222,280	-	222,280	-
M T P Davey	1,000	44,800	1,000	32,000
Dr F Bell	1,000	44,800	1,000	32,000
D J Black	110	44,800	110	32,000
J C W Bloom	159,420	-	159,420	-
B Hoggarth	1,000	44,800	1,000	32,000

All of the above shareholdings are beneficial

Options are exercisable up to February 2000 at 92.5p per share on 115,200 ordinary shares, at 108p on 12,800 ordinary shares and at 66p on 51,000 ordinary shares

The Directors have no other interests as defined by Section [illegible] of the Companies Act, 1985

There have been no changes to the above interests in the period from 1st April 1990 to 27th June 1990

The unexpired portion of the service contract of M Field is twenty months

Certain of the Directors have interests in transactions to supply the Group with livestock and grain and to purchase pig feed and livestock from the Group. Such transactions are conducted on normal commercial terms. Details are given in note 20 to the accounts

Major Shareholders

Save as disclosed below the Directors have not been notified, up to 25th June, 1990, of any other holdings of 3% or more, in the 6,798,493 ordinary shares of the Company in issue at that date

	Number of shares	% of issued share capital
J R Rowson & Sons Limited	1,198,493	17.6
Scottish Amicable Investment Managers Limited	937,000	14.1
Mars UK Pension Fund	336,600	5.0
M Field	222,280	3.3
J C Owen & Others	211,103	3.1

Close Company Provisions

The Company is not a close company within the provisions of the Income and Corporation Taxes Act 1988

Auditors

Ernst & Whinney merged their practice with Arthur Young on 1st September, 1989 and now practise in the name of Ernst & Young. Accordingly they have signed their audit report in their new name. Ernst & Young have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the Annual General Meeting

Special Business to be transacted at the Annual General Meeting

The Board proposes Special Business as set out in the resolutions contained as item 6 of the Notice of Meeting. Part (a) of the first resolution gives to the Directors authority to issue authorised but unissued shares and is to maintain the flexibility given at previous general meetings in respect of the Company's financing arrangements. The nominal value of ordinary shares which the Directors may allot in the period up to the next Annual General Meeting pursuant to this authority is limited to £220,150. Part (b) of that resolution permits the Board to make additional issues of shares for cash up to £33,992 representing 5% of the Company's issued share capital in conformity with the guidelines of The Stock Exchange. This resolution will come up for renewal at the next Annual General Meeting

The second resolution authorises the Company to buy its own ordinary shares in the market as permitted under Article 6 of the Articles of Association of the Company. This authority will expire on 28th January, 1992 or the conclusion of the next Annual General Meeting, whichever is the earlier, and limits total purchases to 15 per cent of the Company's issued share capital. The price to be paid for any shares must not exceed 105 per cent of the average of the middle marks for the ordinary shares of the Company as derived from the U S M Appendix to The Stock Exchange Daily Official List for the 10 business days immediately preceding the day on which the ordinary share is purchased. The Directors have no immediate plans to exercise the powers of the Company to purchase its own shares and undertake that the authority would only be exercised if the Directors were satisfied that a purchase would result in an increase in expected earnings per share and was in the best interests of the Company at the time. Any such shares purchased would be cancelled immediately

By Order of the Board

M T P Davey

Secretary

25th June 1990

FIVE YEAR STATEMENT

	1990	1989	1988	1987	1986
	£'000	£'000	£'000	£'000	£'000
Turnover	64,642	58,868	53,118	42,194	35,597
Profit before taxation	921	670	653	882	840
Taxation	323	233	230	308	330
Dividends	377	377	355	311	149
Retained profits	219	60	68	263	361
Earnings per share	8.8p	6.5p	7.6p	10.3p	11.6p
Dividends per share	5.55p	5.55p	5.55p	5.55p	2.65p

The above figures have been compiled from the published accounts for each year

FINANCIAL CALENDAR

Preliminary Announcement of full year results	June
Publication of Annual Report	July
Annual General Meeting	July
Payment of final dividend	July
Announcement of interim results	December
Payment of interim dividend	January

REPORT OF THE AUDITORS

To the Members of Cranswick Mill Group plc

We have audited the accounts on pages 10 to 18 in accordance with Auditing Standards

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group at 31st March, 1990, and of the profit and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985

Ernst & Young
Chartered Accountants
Hull

27th June, 1990

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March, 1990

	Note	1990 £000	1989 £000
Turnover	2	64,642	58,[illegible]
Cost of sales		61,663	56,[illegible]
Gross Profit		2,979	2,473
Selling and distribution expenses		1,019	961
Administrative expenses		893	718
Operating profit	3	1,067	794
Bank interest		146	124
Profit on ordinary activities before taxation		921	670
Taxation	5	328	233
Profit on ordinary activities after taxation		593	437
Minority interests		3	–
Profit for the financial year available for appropriation	6	596	437
Dividends	7	377	377
Retained profit for the year	16	219	60
Earnings per share	8	8.8p	6.5p

CRANSWICK MILL GROUP plc

CONSOLIDATED BALANCE SHEET

31st March, 1990

	Notes	1990 £'000	[illegible] £'000
Fixed Assets			
Tangible assets	9	1,809	[illegible]
Current assets			
Stocks	11	1,471	[illegible]
Debtors	12	5,705	[illegible]
		7,176	[illegible]
Creditors – amounts falling due within one year			
Bank overdraft		313	[illegible]
Trade and other creditors	13	3,795	[illegible]
Corporation tax		333	[illegible]
Proposed dividend		251	[illegible]
		4,692	4,437
Net current assets		2,484	[illegible]
Total assets less current liabilities		4,293	[illegible]
***Provision for** liabilities and charges*			
Deferred taxation	14	(223)	[illegible]
Accruals and deferred income			
Government grants		(13)	[illegible]
Total assets less liabilities		4,057	3,639
Capital and reserves			
Called up share capital	15	680	680
Reserves	16	3,377	[illegible]
		4,057	[illegible]

R. Marginson }
M.T.P. Davey } Directors

R Marginson
M Davey

[illegible] June 1990

BALANCE SHEET

31st March, 1990

	Note	1990 £000	1989 £000
Fixed Assets			
Investment in subsidiaries	10	1,090	1,091
Current assets			
Debtors	12	203	208
Amount due by Group Companies		3,399	3,219
Cash at bank and in hand		-	60
		3,602	3,487
Creditors – amounts falling due within one year			
Bank overdraft		105	-
Trade and other creditors	13	11	24
Amount due to Group Company		-	1
Corporation tax		126	126
Proposed dividend		251	251
		493	402
Net current assets		3,109	3,085
Total assets less liabilities		4,199	4,176
Capital and reserves			
Called-up share capital	15	680	680
Reserves	16	3,519	3,496
		4,199	4,176

R. Marguson } Directors R Marguson
M.T.P. Davey } M. Davey
8th June 1990

CRANSWICK MILL GROUP plc

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended 31st March, 1990

	1990	1989
	£000	£000
Source of funds		
From operations		
Profit on ordinary activities before taxation	921	670
Items not involving the movement of funds		
Depreciation (net of Government Grants released)	246	230
(Surplus)/Deficit on sale of fixed assets	(16)	4
	1,151	604
Other sources		
Shares issued on acquisition of subsidiary	–	1,313
Sale proceeds of fixed assets	74	58
	74	1,371
Total sources of funds	1,225	1,975
Application of funds		
Purchase of businesses	–	1,287
Purchase of fixed assets	152	220
Taxation paid	269	383
Dividends paid	377	377
	798	2,267
Increase/(Decrease) in working capital	427	(292)
Arising from movements in		
Stocks	308	(283)
Debtors	290	346
Trade and other creditors	(247)	(659)
	351	(596)
Liquid funds	76	304
	427	(292)

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention.

(b) Basis of consolidation

The consolidated accounts incorporate the accounts of the Company and each of its subsidiaries made up to 31st March.

(c) Depreciation

Freehold land is not depreciated. The cost of other tangible fixed assets is written off by equal instalments over their expected useful lives as follows:

Freehold buildings	20 years
Leasehold buildings	40 years
Plant and equipment	5-10 years
Motor vehicles	4 years

(d) Goodwill

Goodwill represents the excess of purchase price paid for businesses acquired over the fair value of their relevant net assets at the respective dates of acquisition and is written off against reserves.

(e) Government grants

(i) U.K. Regional Development Grants in respect of expenditure on fixed assets are credited to a separate account from which amounts are released to revenue over the relevant depreciation period.

(ii) Grants receivable from the European Community and the Ministry of Agriculture, Fisheries and Food in respect of capital expenditure are credited to the relevant asset account and depreciation calculated on the net amount.

(f) Stocks

Stocks (including live stock) are valued at the lower of cost, on a first in, first out basis, and net realisable value after making allowance for any obsolete or slow moving items. In the case of finished goods, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads. The allocation of manufacturing fixed overheads is [illegible] regard to budgeted normal production.

(g) Deferred taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the future.

(h) Leasing

Rentals paid under operating leases are charged against income on a straight line basis over the term of the lease.

(i) Pensions

The Group operates a defined contribution pension scheme which requires contributions to be made to a separately administered fund. Contributions to the fund are determined as a percentage of employees' earnings and are charged to the profit and loss account as incurred.

2 TURNOVER

Turnover comprises the invoiced value of goods and services supplied to third parties, exclusive of V.A.T., and [illegible] exports to other [illegible] countries, arose entirely within the United Kingdom.

3 OPERATING PROFIT is stated after charging:

	1990 £'000	1989 £'000
Depreciation [illegible]	246	[illegible]
Auditors' remuneration	22	18
[illegible] pension [illegible]	232	[illegible]
Hire of plant and machinery under operating leases	61	[illegible]

4. DIRECTORS AND EMPLOYEES

	1990 £'000	1989 £'000
Staff costs		
Wages and salaries	1,158	1,007
Social security costs	116	101
Other pension costs	39	38
	1,313	1,146

The average weekly number of employees during the year was

	1990	1989
Production	52	48
Selling and distribution	24	24
Administration	15	15
	91	87

	1990 £'000	1989 £'000
Staff costs include the following emoluments in respect of Directors		
Emoluments of the Chairman	24	[illegible]
Emoluments of the highest paid Director	39	[illegible]
The emoluments (excluding pension contributions) of the other Directors fall within the following ranges	Number of Directors	
£ 5,001 - £10,000	1	–
£10,001 - £15,000	–	3
£15,001 - £20,000	2	
£30,001 - £35,000	–	3
£35,001 - £40,000	3	–

5. TAXATION

The charge based on the profit for the year comprises

	1990 £'000	1989 £'000
U.K. Corporation tax	354	249
Transfer from deferred taxation	(28)	(1)
Adjustments relating to prior years	2	(15)
	328	233

U.K. corporation tax has been provided at 35% (1989 – 35%)

6. PROFIT AVAILABLE FOR APPROPRIATION

Of the profit available for appropriation the sum of £400 000 (1989 – £[illegible] 000) has been dealt with in the accounts of Cranswick Mill Group plc.

In accordance with the exemptions contained in Section 228(7) of the Companies Act 1985 the Company has not presented its own profit and loss account.

7. DIVIDENDS

	1990 £'000	1989 £'000
Interim paid 1.85p per share (1989 – 1.81p)	126	125
Final proposed 3.7p per share (1989 – 3.7p)	251	251
	377	377

8. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit after taxation and minority interests of £[illegible] (1989 – £[illegible]) and on the number of shares in issue during the financial year of 6 [illegible] (1989 – weighted average number of shares in issue during the year 6 769 837).

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Plant equipment and vehicles £'000	Total £'000
Cost				
At 31st March, 1989	1,015	130	1,862	3,007
Additions	2	-	150	152
Disposals		-	(161)	(161)
At 31st March, 1990	**1,017**	**130**	**1,851**	**2,998**
Depreciation				
At 31st March, 1989	237	-	807	1,044
Charge for the year	45	3	200	248
Relating to disposals			(103)	(103)
At 31st March, 1990	**282**	**3**	**904**	**1,189**
Net book amounts				
At 31st March, 1989	778	130	1,055	1,963
At 31st March, 1990	**735**	**127**	**947**	**1,809**

Long leasehold land and buildings represents leases with more than 50 years unexpired

10 INVESTMENT IN SUBSIDIARIES

	£'000
Shares at cost	
At 31st March, 1989	1,091
Disposal of 49% of Cranswick Turf Marketing Limited	1
At 31st March, 1990	1,090

The Subsidiary Companies are:

Cranswick Mill Limited
Farm Pets Limited
Cranswick Pet Care Limited
Cranswick Turf Marketing Limited

Each of the companies is registered in England. Cranswick Turf Marketing Limited is 51% owned directly and the other subsidiaries are 100% owned directly. All of the subsidiaries are included in the activities referred to in the Directors' Report.

11 STOCKS

	1990 £'000	1989 £'000
Raw materials	654	434
Finished goods	250	193
Live stock	367	536
	1,471	1,163

There is no significant difference between the replacement cost and the balance sheet value of stocks. Raw materials include growing stock for resale

12. DEBTORS

	Group 1990 £'000	Group 1989 £'000	Company 1990 £'000	Company 1989 £'000
Amounts falling due within one year				
Trade debtors	5,578	5,278	–	–
Other debtors	61	71	1	3
Prepayments and accrued income	66	66	–	–
Advance corporation tax recoverable	–	–	202	203
	5,705	5,415	203	206

13. TRADE AND OTHER CREDITORS

	Group 1990 £'000	Group 1989 £'000	Company 1990 £'000	Company 1989 £'000
Trade creditors	3,584	3,313	–	–
Other creditors (including taxation and social security £56,000 (1989 – £31,000))	63	75		18
Accruals and deferred income	148	160	11	6
	3,795	3,548	11	24

14. DEFERRED TAXATION

Deferred taxation comprises:

	1990 £'000	1989 £'000
Tax on accelerated capital allowances	318	335
Short term timing differences	11	–
	307	335
Advance corporation tax recoverable	84	84
	223	251

There is a potential liability of approximately £29,000 in a subsidiary which would arise if the freehold property was sold for its book value.

15. CALLED UP SHARE CAPITAL

	Authorised 1990 and 1989 £'000	Allotted, called up and fully paid 1990 and 1989 £'000
Ordinary shares of 10p each	900	686

Of the unissued ordinary share capital £41,750 is reserved for allotment under the Executive Share Option Scheme which was established on 5th September 1985. Options have been granted on an aggregate of 162,500 ordinary shares of 10p each to four Group Directors and a director of a subsidiary company. These options are exercisable up to February 2000 at 85p per share on 64,000 shares, at 90p per share on 68,250 shares and at 165p per share on 30,250 shares.

16. RESERVES

	Share premium £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
Group				
At 31st March, 1989	1,289	54	1,815	3,158
Retained profit for the year	–	–	219	219
At 31st March, 1990	1,289	54	2,034	3,377
Company				
At 31st March, 1989	1,289	893	1,313	3,495
Retained profit for the year	–	–	24	24
At 31st March, 1990	1,289	893	1,337	3,519

17. CONTINGENT LIABILITIES

a) There is deferred consideration in respect of a business acquired in 1988. This is limited to a maximum of £41,600 and is subject to the level of pre-tax profits of that business in the period to 30th March 1991.

b) The Company, together with its subsidiaries, has entered into a guarantee with Midland Bank plc to secure the net overdraft of the Group.

c) The annual commitment under non-cancellable operating leases, in respect of plant and machinery, was as follows:

	1990	1989
	£'000	£'000
Leases expiring within two to five years	53	-

18. CAPITAL COMMITMENTS

The Directors have not contracted for any future capital expenditure (1989 – nil).
Expenditure authorised but not contracted amounted to £40,000 (1989 – nil).

19. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme which requires contributions to be made to a separate administered fund. Contributions to the fund are determined as a percentage of employees' earnings and are charged to the profit and loss account as disclosed in note 4.

20. PARTICULARS OF TRANSACTIONS INVOLVING DIRECTORS AS REQUIRED BY SECTIONS 232 AND 233 OF THE COMPANIES ACT 1985

During the year each of the following Directors has been interested in trading transactions with the Group as follows:

	Purchases from the Group	Sales to the Group	Net Balances due to the Group at 31st March 1990	Net Balances due to the Group at 31st March 1989
	£'000	£'000	£'000	£'000
R M[illegible]	768	447	19	11
M Field	311	332	13	22
J C W Bl[illegible]	85	249	-	-

H Flower, who retired during the year, made purchases from the Group of £72,000 and sales to the Group of £[illegible] during his term of office.

These transactions were on normal commercial terms.

CRANSWICK MILL GROUP plc

FOR USE AT ANNUAL GENERAL MEETING

FORM OF PROXY

(Use Block Capitals)

I/We ....

of ....

being (a) member(s) of the above-named Company, HEREBY APPOINT the Chairman of the Meeting or

....

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 30th July, 1990, and at every adjournment thereof, in relation to the business specified in the Notice of Annual General Meeting.

Please indicate with an 'X' in the appropriate space below how you wish your votes to be cast. On receipt of this Form of Proxy duly signed, but without specific directions, the proxy will abstain or vote at his discretion.

	FOR	AGAINST
1. To receive and adopt the Directors' Report and the Accounts for the year ended 31st March, 1990.		
2. To declare the payment of a Final Dividend of 3.7p per share for the year ended 31st March, 1990.		
3. To re-elect R. Marginson as a Director.		
4. To re-elect M. Field as a Director.		
5. To re-appoint Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.		
6. To authorise the Directors to allot securities in accordance with the provisions of sections 80 and 95 of the Companies Act 1985.		
7. To authorise the Company to purchase its own Ordinary Shares.		

Signed this .... day of 1990

Signature ....

NOTES:

1 This Form of Proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority must be deposited at the Registrars not less than forty-eight hours before the time fixed for holding the Meeting or adjourned meeting as the case may be

2 Any alteration of this Form of Proxy must be initialled.

3 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding

4 If the appointer is a corporation, this Form of Proxy must be completed under its common seal or under the hand of some duly authorised officer or attorney

5 If it is desired to appoint as proxy any person other than the Chairman of the Meeting his name and address should be inserted in the blank space, reference to the Chairman deleted and the alteration initialled The proxy need not be a member of the Company