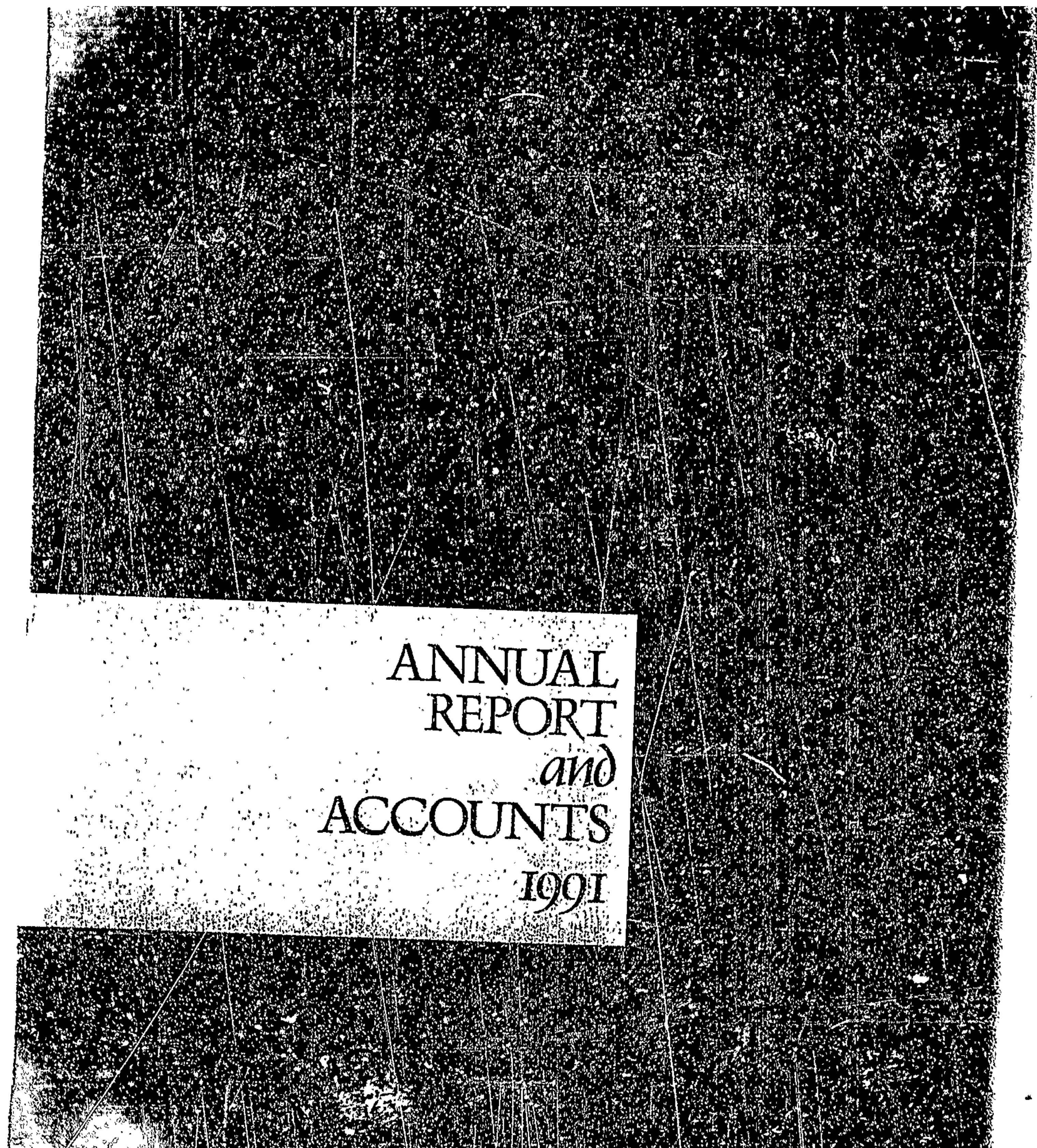


ANNUAL REPORT *and* ACCOUNTS 1991

Contents

Directors and Officials

Directors

C. R. Godwin, FCA *(Chairman)*
D. L. Cooke, FCA *(Managing Director)*
J. H. Beckett
M. D. Cookson, FCA
A. E. Fulker, FCA
M. H. Hudson, MA, Dip. FBA
J. R. Willis, JP

Secretary

M. D. Cookson, FCA

Auditors

Price Waterhouse
York House
York Street
Manchester M2 4WS

Solicitors

Lovell White Durrant
65 Holborn Viaduct
London EC1A 2DY

Bankers

National Westminster Bank PLC
36 High Street
Nantwich, Cheshire CW5 5AZ

Registered Office

Wardle, Nantwich
Cheshire CW5 6BP

109
22-11-92

Chairman's Statement

Results

I am delighted to report that despite the severe downturn in the economy, in which we have seen some of the worst corporate results in a decade, NWF has continued its upward path. Our trading profit before interest increased from £802,000 to £1,168,000, a gain of some 45%. Profit before taxation amounted to £1,231,000, compared with £1,222,000 (including an exceptional credit of £366,000) in the previous year.

Operations

The Group's operations are organised into three distinct businesses, whose performances are described in the Chief Executive's Review.

EPS and dividend

Earnings per share, based on the average shares in issue during the year, were £2.21. If the exceptional items last year were excluded, the comparative earnings per share in 1990 would have been £1.47. This shows an increase of 50%. As a measure of our confidence, the Board is recommending an increase in the dividend of 17% to 35p. per share (30p. per share in 1990). Subject to approval at the forthcoming Annual General Meeting, this dividend will be paid to shareholders on 1st January 1992.

Share dealings

The auditors have carried out their annual valuation of our shares and have established a new value of £6.00 per share. A copy of their letter on this matter is enclosed with the Accounts.

Since we became a private limited company, we have been able to provide a market in the Company's shares based on the valuation provided by our Auditors. I would like to take this opportunity of reminding shareholders, staff and those involved in Agriculture that share applications are always welcome.

Applications to buy or sell shares at the valuation price can be made at any time prior to the two dealing dates in October and April. The procedure is set out at the foot of page 9.

Returns to shareholders

The share valuation this year of £6.00 compares with £4.50 last year, an increase of 33%. The current valuation therefore, together with the

dividend proposed, gives shareholders a total gross return of 44% over the past year, and 98% over the three years since conversion.

Share options

Last year I drew attention to the establishment of an approved executive share option scheme. I am pleased to be able to advise shareholders that during this year 9,500 shares were granted under option to a further twelve executives.

This means that nineteen directors and senior executives, who make a significant contribution to the growth of the Company and who bear special responsibility for its performance, now have an incentive to share in its success, which will benefit all shareholders.

Communications

As I said in my Statement last year, we set out deliberately to improve communications with our shareholders and our customers. I believe these steps are bearing fruit — certainly we have received favourable reports about our efforts from a number of sources.

Major developments during the year

Capital expenditure during the year amounted to nearly £1.5 million. Our largest single capital project was the construction of a new warehouse for Boughey Distribution, at a cost of £359,000. It is sited at the Wardle complex and comprises 25,000 sq. ft. of modern insulated warehouse space — it is already fully in use.

The dramatic changes in the fertiliser market during the year posed many problems for us. We were main dealers for ICI and thus their decision to sell their fertiliser business led us to carry out a very careful review of our fertiliser policy.

We concluded that the right strategy was to become a main merchant for Hydro Fertilizers throughout our trading area. Norsk Hydro is the largest manufacturer of fertilisers in the world and, moreover, is fully committed to British farming. Our decision, to date, has been more than vindicated.

Since the end of our financial year we have agreed to acquire for £0.5 million the whole of the share capital of T. J. Hignell & Sons Ltd., a fuel distribution business located in Gloucestershire. This acquisition will provide us with a base for expansion outside our present geographical territory, in an area with good growth prospects.

Acquisition and capital expenditure policies

We continue to search for suitable acquisitions or joint venture arrangements. A number of propositions have been considered but were discarded. We adopt a very cautious approach when we consider such propositions. We also adopt strict criteria when we consider new capital expenditure proposals and our policies in this area will not be relaxed. Strict control over our cash resources has been one of the key features in bringing NWF to its present financial strength and we intend to keep it that way.

Outlook for the current year

In looking ahead, our sustained confidence has to be balanced with a cautious approach to the general economy and uncertain market conditions in the farming industry. Political pressures within the EEC to reduce the financial support to farmers will inevitably have an effect on NWF Agriculture which is involved in the manufacture of animal feedstuffs.

It will not be easy to maintain the growth we have achieved in the past two years in this very competitive area; however, our other businesses (NWF Fuels and Boughey Distribution) have excellent prospects for continued growth. The new warehouse for Boughey and the acquisition in Gloucestershire underline our confidence.

It may be that we have now reached, or passed, the low point of the recession, and that interest rates and inflation will continue on their downward path. If so, this should give fresh confidence in the various marketplaces in which we operate.

We also plan to spend nearly £1 million on capital projects during the new financial year, excluding the acquisition of T. J. Hignell & Sons Ltd.

We have started the new financial year well and our determination to build on our excellent progress over the past two years, coupled with the soundness of our financial position, should provide a solid foundation for continued growth into the future. I will say more about our progress in the current financial year at the Annual General Meeting.

Management and employees

As is often the case in difficult times, even more effort is required of our management and employees. They have contributed to our improved results unstintingly. I wish to thank each and every one of them for their valuable contributions during the year.

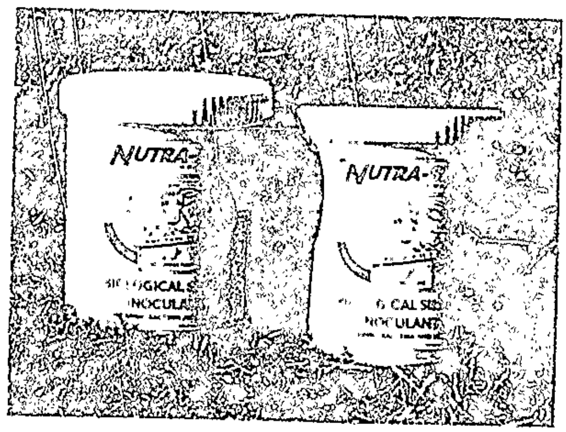
The strength of our balance sheet, the quality of our management and employees have enabled us to perform extremely well during the recession. I would also like to thank our shareholders for their continued support and confidence in the Group.

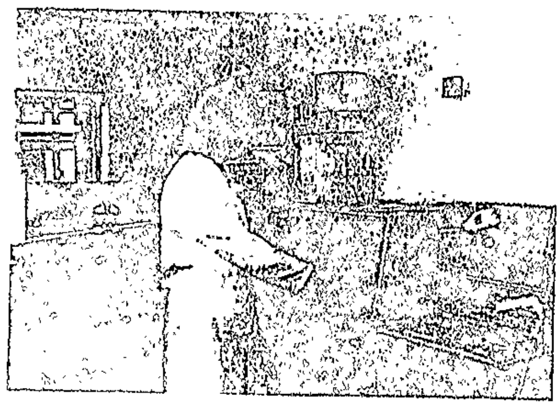
Charles Godwin

Charles Godwin
Chairman
4 September 1991

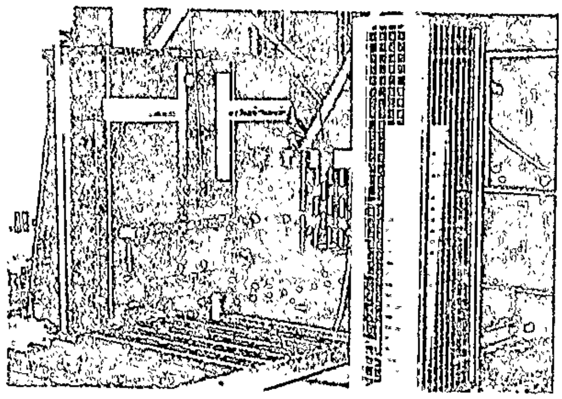
Chief Executive's Review

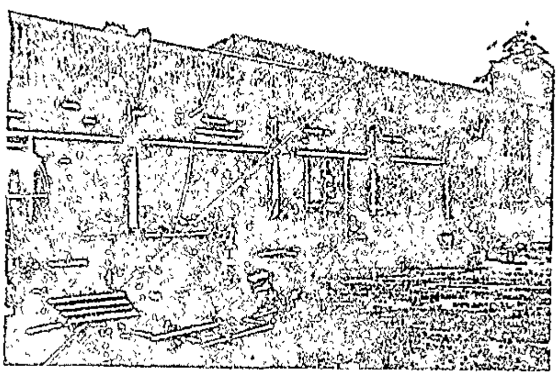
NWF Agriculture





NWF Fuels





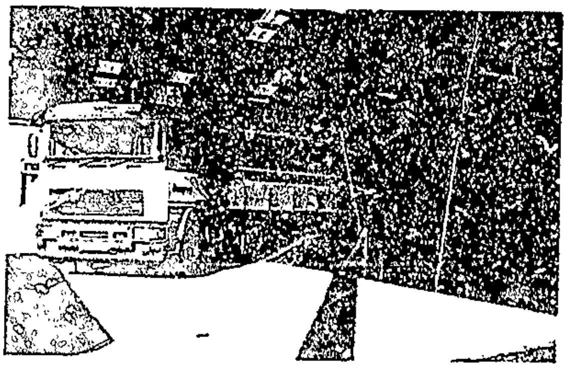
As the Chairman mentions in his Statement, we are looking to continue the expansion of our Fuel business and the proposed acquisition of the Hignell business in Gloucestershire is the next stage. This is a major acquisition which should lead to a significant expansion in the size of our Fuel business.

Over the coming months it will need to be integrated into our existing management structure. The well developed on-line computer system we use in our Fuel business will be introduced and this will allow close monitoring of performance.

The integration and development of this new business, together with the continued expansion in trade from our existing locations, is the task for our Fuel business in the coming year.

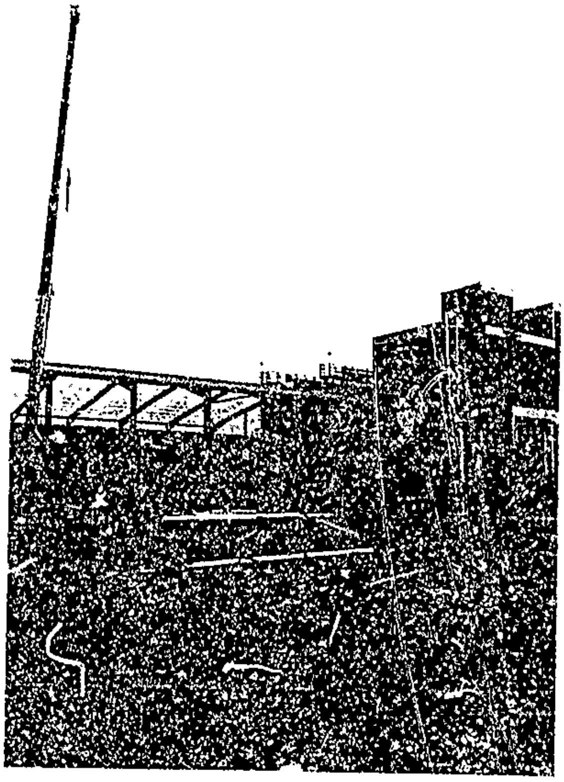
Boughey Distribution

Boughey operates nearly 300,000 sq. ft. of warehousing at Wardle, storing canned goods, sugar, creamery and packeted products, and provides a bulk food distribution service to all of the major supermarket groups throughout the country. The fleet of over forty vehicles delivers nearly 3,000 tonnes of food each week to over 500 delivery points. The Company also provides a shrink-wrapping, labelling and price-tagging service to customers, as well as quality control testing. Boughey in addition operates a milk collection service from farms on behalf of the Milk Marketing Board.



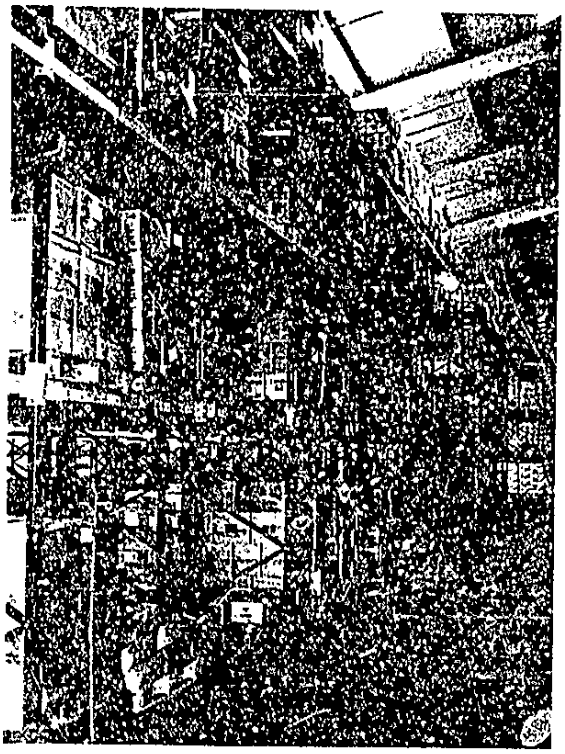
Our Warehousing and Distribution business has had a particularly successful year. We have seen a significant increase in the volume of goods, both stored and distributed. This has been achieved due to the acquisition of several new customers as well as organic growth in the businesses of some of our long-standing customers. Our reputation in grocery distribution is steadily growing.

The pressure on storage space and vehicles has been particularly heavy during the year and there was a danger that our development could have been restricted. In consequence we placed a contract for a new fully insulated warehouse of 25,000 sq. ft. and added to our vehicle fleet.

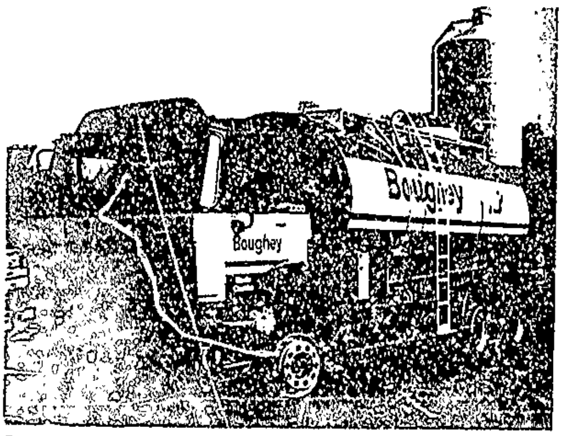


The warehouse was completed during May 1991 and was fully utilised almost immediately. One of the older warehouses has been re-clad to make it fully insulated so that virtually the whole of our warehousing is now to the same high standard.

The Group has also concluded the purchase of a further 2½ acres of land adjacent to our existing Wardle site and this is ear-marked for further development in the future.



The whole of our Warehousing and Distribution systems are fully computerised and several customers have terminals linked into Wardle. It is an extremely effective total system which provides excellent control and management information both for ourselves and our customers.



Our Milk Haulage business continues to provide a 365-day a year service for farmers, dairies and the Milk Marketing Board in conjunction with the MMB we have recently fitted flow meters to all our milk tankers, which provide a more accurate measure of the milk being loaded and unloaded.

Shortly after the year end, in July, we were very pleased to appoint Lee Guy, our Warehousing Manager, to the Boughey Board. This is part of our continuing attention to the management and staff development within the business, which is a prerequisite of further profitable growth.

In the year ahead Boughey's will continue to look for new business opportunities, whilst working with our existing customers in providing a first class distribution service to help them expand their business.

The Group

At the conclusion of my Review last year, I stated my belief that the most important assets in any business are its people, which is why I opened this year's Review by paying tribute to the management and staff who have produced these excellent results in a difficult trading environment.

Within NWF, what we are trying to do is to develop an environment in which:

— Objectives and targets are set throughout the business, at which people can aim;

— Each individual can satisfy his or her own ambitions and personal needs;

— Every individual can feel a part of a team and where a good team spirit is engendered.

In a dynamic business environment where circumstances are constantly changing, we cannot be certain that these aims will always be achieved, nevertheless they will remain our objectives.

It is an exciting challenge and, given success, will be rewarding for both staff and shareholders.

Derek Cooke

Derek Cooke
Chief Executive
4 September 1991

Directors' Report

The Directors present their report together with the audited financial statements for the year ended 31 May 1991.

Principal activities

The principal activities of the Group are animal feed manufacturing, seed processing, agricultural merchanting, [illegible] distribution and the warehousing and distribution of human foods.

Results and distribution

The profit after tax for the year ended 31 May 1991 amounted to £869,000 which compares with the profit after tax for the year ended 31 May 1990 of £820,000.

The Directors recommend the payment of a dividend of 35p per share, totalling £142,000 and the retained profit of £727,000 has been transferred to reserves.

Business review and future developments

The Group's operations are organised into three distinct businesses whose performances are covered in the Chief Executive's Review.

Directors and directors' interests

The Directors holding office at the year end and their interests in the share capital of the Company at 31 May 1991 and 31 May 1990 (or date of appointment if later) were as follows:

	Ordinary Shares		Share Options	
	1991	1990	1991	1990
J. H. Beckett	11,762	8,762	—	—
D. L. Cooke	12,682	12,682	8,000 (b)	8,000 (b)
M. D. Cookson (appointed 1 June 1990)	3,200	2,236	5,000 (b)	5,000 (b)
A. E. Fulker	2,750	1,100	5,000 (b)	5,000 (b)
C. R. Godwin	9,000	450	—	7,500 (a)
M. H. Hudson	8,512	1,012	—	5,000 (a)
J. R. Willis	4,320	2,320	5,000 (a)	5,000 (a)

(a) Subscription price 325p per share. Exercisable until 10 September 1993.

(b) Subscription price 400p per share. Exercisable from 27 April 1993 to 26 April 2000.

Directors' Report *(continued)*

Fixed Assets

The movements in tangible fixed assets are shown in note 9 to the financial statements.

Employees

The Group has procedures for keeping its employees informed about the business in which they work.

The Group gives full and fair consideration to disabled applicants for employment in respect of duties which may be effectively performed by a disabled person.

Where existing employees become disabled, the Group will seek to continue employing them, bearing in mind their disability and provided there are suitable duties which a disabled person can perform.

Auditors

The Directors will place a resolution before the Annual General Meeting to re-appoint Price Waterhouse as auditors for the ensuing year.

By Order of the Board

M. D. Cookson
Secretary
1 August 1991

Financial Calendar

Annual general meeting	22 October 1991
Share dealing day	31 October 1991
Dividend payable (to those shareholders on the register at 31 May 1991)	1 January 1992
Half year results announced (by)	1 March 1992
Share dealing day	30 April 1992
Financial year end	31 May 1992

Share Dealings

Forms for the purchase or sale of shares are available from the Company Secretary at Wardle, Nantwich, Cheshire CW5 6BP and after completion, should be returned to the Secretary at least one week before the relevant dealing day.

Consolidated Profit and Loss Account

for the year ended 31 May 1991

	Notes	1991 £'000	1990 £'000
Turnover	1	36,959	31,858
Operating costs	2	(35,791)	(31,056)
Trading profit		1,168	802
Interest receivable (net)	5	63	54
Profit on ordinary activities before exceptional items		1,231	856
Exceptional items	6	—	366
Profit on ordinary activities before taxation	3	1,231	1,222
Taxation	7	(362)	(402)
Profit after taxation		869	820
Dividend	8	(142)	(118)
Profit transferred to reserves	17	727	702

The notes on pages 13 to 18 form part of these accounts.

Balance Sheets

at 31 May 1991

	Notes	Group 1991 £'000	Group 1990 £'000	Parent Company 1991 £'000	Parent Company 1990 £'000
Fixed assets					
Tangible assets	9	5,850	5,052	4,005	3,569
Investments in subsidiaries	10	—	—	719	719
Trade investments	11	2	2	2	2
		5,852	5,054	4,726	4,290
Current assets					
Stocks	12	983	840	1	1
Debtors	13	3,959	3,770	1,131	932
Cash and bank balances		887	971	885	964
		5,829	5,581	2,017	1,897
Creditors: amounts falling due within one year	14	(4,153)	(3,861)	(2,390)	(1,681)
Net current assets/(liabilities)		1,676	1,720	(373)	216
Total assets less current liabilities		7,528	6,774	4,353	4,506
Deferred taxation	15	(181)	(194)	(81)	(75)
		7,347	6,580	4,272	4,431
Capital and reserves					
Share capital	16	405	393	405	393
Reserves	17	6,942	6,187	3,867	4,038
		7,347	6,580	4,272	4,431

Approved by the Board on 1 August 1991

C. R. Godwin
A. E. Fulker } Directors

The notes on pages 13 to 18 form part of these accounts.

Consolidated Statement of Source and Application of Funds

for the year ended 31 May 1991

	1991	1990
	£'000	£'000
Source of funds		
Profit on ordinary activities before taxation	1,231	1,222
Items not involving the movement of funds:		
Depreciation and other amounts written off tangible fixed assets	655	702
Total generated from operations	1,886	1,924
Generated from other sources:		
Issue of shares	40	25
Sale of fixed assets at net book amount	36	249
	1,962	2,198
Application of funds		
Purchase of assets:		
Expenditure on fixed assets	(1,489)	(346)
Acquisition of subsidiary undertaking	—	(279)
Other application of funds:		
Taxation paid	(305)	(555)
Increase in working capital	(128)	(589)
Dividend paid	(118)	(14)
Repayment of capitalised leases	(6)	(37)
	(2,046)	(1,820)
(Decrease)/Increase in net liquid funds	(84)	378

Notes to the Accounts

1. Accounting policies

(a) *Basis of accounting*
The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards, except as noted in 1(e) below.

(b) *Principles of consolidation*
The Group accounts consolidate the accounts of the Company and all its subsidiary undertakings after eliminating all material inter-company transactions. Goodwill arising on the acquisition of subsidiary undertakings is written off against reserves in the year of acquisition.

The associated undertaking [illegible]eshire M[illegible]ullers Limited, has not been accounted for under the equity method since the amounts involved are immaterial.

(c) *Turnover*
Turnover is the net amount received and receivable in respect of goods and services supplied to customers in the normal course of business and excludes Value Added Tax.

(d) *Distribution costs*
Distribution costs have been classified within cost of sales since the bulk of the Group's business is concerned with distribution.

(e) *Tangible fixed assets*
Tangible fixed assets are stated at cost. Depreciation is calculated to write off the cost of fixed assets over their useful economic life on a straight-line basis as follows:

Leasehold P[illegible]	Over the life of the Lease
Feed [illegible]	10 years
Plant and machinery	5 to 20 years
Cars	4 years
Commercial vehicles	6 to 8 years

No provision has been made for depreciation of freehold buildings with the exception of the Mill as it is a Group policy to maintain its premises to a standard such as to retain their value. The effect of non-depreciation of freehold buildings is not material.

(f) *Stocks*
Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and includes appropriate overheads.

(g) *Finance leases*
Assets acquired under finance leases have been recorded in the balance sheet as fixed tangible assets at their equivalent capital value and are depreciated over the useful life of the asset. The corresponding liability has been recorded as a creditor and the interest element of the finance charge is charged to profit and loss account on a straight-line basis over the life of the lease.

(h) *Deferred taxation*
Deferred taxation represents the amount required to allow for the effect of certain items of income and expenditure being attributable for tax purposes to periods different from those in which charges or credits are recorded in the accounts.

Full provision for deferred taxation is made at the rate at which these timing differences are expected to reverse where the Directors have concluded, on the basis of reasonable assumptions, that it is probable that the liability will crystallise in the foreseeable future.

(i) *Pensions*
Pension costs are charged against profits over the estimated remaining service lives of employees.

2. Operating costs

	1991	1990
	£'000	£'000
Cost of sales	33,989	29,634
Administrative expenses	1,802	1,422
	35,791	31,056

3. Profit on ordinary activities

	1991	1990
Profit on ordinary activities is stated after charging:		
Depreciation and other amounts written off tangible fixed assets:		
Owned assets	647	676
Assets held under finance leases	8	26
Auditors' remuneration	20	23
Hire of plant and machinery	182	119
Staff costs (including directors):		
Wages and salaries	3,335	2,792
Social security costs	261	219
Other pension costs	87	155
The average number of persons employed by the Group during the year was:	265	260

4. Remuneration of directors

	1991	1990
Fees	30	25
Management remuneration	210	159
	240	184
Chairman	15	13
Highest paid Director	97	69

The remuneration of the other Directors of the Company during the year fell into the following ranges:

	Number	Number
Nil - £5,000	3	3
£20,001 - £25,000	—	1
£50,001 - £55,000	1	1
£55,001 - £60,000	1	—

5. Interest

	£'000	£'000
Receivable:		
Bank Interest	53	56
Interest on overpaid corporation tax	11	—
	64	56
Payable:		
Finance lease charges	1	2

	1991	1990
	£'000	£'000
6. Exceptional items		
Profit on sale of property	—	189
Released provision on discontinued contract	—	25
Released provision for potential stock losses	—	152
	—	366
7. Taxation		
Corporation tax at 33.83% (1990 – 35%)		
— Current year	445	425
— Prior year	(70)	—
Deferred tax	(13)	(23)
	362	402
8. Dividend		
Dividend at 35 pence net per ordinary share (1990 — 30 pence net)	142	118

9. Tangible fixed assets

Group	Freehold Land and Buildings	Short Leasehold Land and Buildings	Plant and Machinery	Commercial Vehicles and Cars	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 31 May 1990	3,753	—	3,617	2,533	9,903
Additions	440	15	186	848	1,489
Disposals	(2)	—	(11)	(450)	(463)
At 31 May 1991	4,191	15	3,792	2,931	10,929
Depreciation					
At 31 May 1990	370	—	2,722	1,759	4,851
Charge for the year	12	2	296	345	655
Disposals	—	—	(11)	(416)	(427)
At 31 May 1991	382	2	3,007	1,688	5,079
Net book amount					
At 31 May 1991	3,809	13	785	1,243	5,850
At 31 May 1990	3,383	—	895	774	5,052

9. Tangible fixed assets (continued)

Parent company

	Freehold Land and Buildings	Plant and Machinery	Commercial Vehicles and Cars	Total
	£'000	£'000	£'000	£'000
Cost				
At 31 May 1990	3,631	684	65	4,380
Additions	440	19	40	499
Disposals	—	—	(22)	(22)
At 31 May 1991	4,071	703	83	4,857
Depreciation				
At 31 May 1990	369	385	57	811
Charge for the year	13	36	14	63
Disposals	—	—	(22)	(22)
At 31 May 1991	382	421	49	852
Net book amount				
At 31 May 1991	3,689	282	34	4,005
At 31 May 1990	3,262	299	8	3,569

10. Investments in subsidiaries

	1991	1990
	£'000	£'000
Cost	719	719

The Company owns the whole of the issued ordinary share capital of the following subsidiary undertakings, all of which are registered in England.

Company	**Business activity**
Boughey Distribution Limited	Warehousing and distribution
NWF Agriculture Limited	Supplier of animal feedstuffs, seeds and fertilisers
NWF Fuels Limited	Fuel distribution
Boughey & Sons (Transport) Limited	Dormant
JP Oils Limited	Dormant
Vanwil Oil Company Limited	Dormant
North Western Farmers Limited (formerly NWF Services Limited)	Dormant

11. Trade investments

The Group owns the following trade investments:

	1991	1990
	£'000	£'000
Co-operative Wholesale Society Limited	2	2

In the opinion of the Directors the unlisted investments are worth not less than cost.

The Group owns 50% of the issued ordinary share capital of Cheshire Milk Hauliers Limited, a company registered in England whose business is that of bulk milk distribution. The income of the company, after deducting operating costs, is shared by the Group and its partner in the joint venture. Consequently, during the year to 31 March 1991 it made neither profit nor loss.

12. Stocks

	Group 1991	Group 1990	Parent Company 1991	Parent Company 1990
	£'000	£'000	£'000	£'000
Finished goods and goods for resale	741	633	—	—
Raw materials and consumables	242	207	1	1
	983	840	1	1

Notes to the Accounts *(continued)*

	Group		Parent Company	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
13. Debtors				
Trade debtors	3,654	3,444	—	—
Amounts owed by group undertakings	—	—	1,012	775
Other debtors	258	287	72	118
Deferred asset for ACT	47	39	47	39
	3,959	3,770	1,131	932
14. Creditors — amounts falling due within one year				
Trade creditors	2,806	2,706	—	—
Amounts owed to group undertakings	—	—	1,900	1,302
Obligations under finance leases	—	6	—	6
Corporation tax	454	376	55	61
Other taxes and social security costs	87	117	8	5
Accruals and deferred income	664	538	285	169
Dividend	142	118	142	118
	4,153	3,861	2,390	1,681

15. Deferred taxation

	Provision		Full potential liability	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Group				
Capital gains tax on gains rolled over	83	79	238	244
Timing differences between capital allowances claimed and depreciation provided	98	115	98	115
	181	194	336	359
Parent company				
Capital gains tax on gains rolled over	71	75	226	240
Timing differences between capital allowances claimed and depreciation provided	10	—	10	—
	81	75	236	240

16. Share capital

	1991	1990
	£'000	£'000
Authorised:		
Ordinary shares of £1 each	5,000	5,000
Allotted and fully paid:		
Ordinary shares of £1 each	405	393

7,500 shares were issued to Mr. C. R. Godwin and 5,000 shares to Mr. M. H. Hudson under the Company's share option scheme at a subscription price of 325p per share.

17. Reserves

Group	Profit & Loss	Share Premium	Capital Redemption Reserve	Total
	£'000	£'000	£'000	£'000
At 1 June 1990	6,057	70	60	6,187
Retained profit for the year	727	—	—	727
Premium on shares issued	—	28	—	28
At 31 May 1991	6,784	98	60	6,942

Goodwill written off against group reserves to date amounts to £302,000.

Parent company				
At 1 June 1990	3,908	70	60	4,038
Retained loss for the year	(199)	—	—	(199)
Premium on shares issued	—	28	—	28
At 31 May 1991	3,709	98	60	3,867

The parent company has not prepared its own profit and loss account as permitted by Section 230 (1), Companies Act 1985.

18. Commitments for capital expenditure	1991	1990
	£'000	£'000
Contracts placed	152	149
Expenditure sanctioned but not yet contracted	105	6
	257	155

19. Pension costs

The Group operates a pension scheme, the NWF Limited Retirement Benefits Plan (1968), providing benefits based on final pensionable earnings. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Contributions to the scheme have been determined by a qualified actuary using the projected unit method.

The most recent valuation was at 1 July 1990. The valuation at that date showed that the market value of the scheme's assets was £6,275,000 and that the actuarial value of these assets represented 139% of the benefits which had accrued to members, after allowing for expected future increases in earnings.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increases in salaries. It was assumed that the investment return would be 2% higher than the rate of annual salary increase. Allowance has been made for increases in pensions in payment in line with Limited Price Indexation, up to a maximum of 5% per annum.

The pension charge for the year was £87,000 (1990 £155,000). This included £39,000 (1990 – Nil) in respect of the amortisation of the surplus on the scheme which is being recognised over 16 years, the average remaining service lives of employees.

Auditors' Report

To the members of NWF Limited,

We have audited the financial statements on pages 10 to 18 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 May 1991 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.

Price Waterhouse
Chartered Accountants
Manchester
1 August 1991

Notice of Meeting

Notice is hereby given that the 120th Annual General Meeting of NWF Limited will be held at the Swan Hotel, High Street, Tarporley, Cheshire on Tuesday, 22 October 1991 at 10.00 a.m. for the following purposes:

1. To receive the Report of the Directors and the Accounts for the year to 31 May 1991.
2. To declare a dividend.
3. To re-elect Mr. J. R. Willis as a Director of the Company in accordance with Article 26 of the Articles of Association of the Company.
4. To re-elect Mr. M. H. Hudson as a Director of the Company in accordance with Article 26 of the Articles of Association of the Company.
5. To re-appoint Messrs. Price Waterhouse as Auditors of the Company and to authorise the Directors to fix their remuneration.
6. To fix the aggregate ordinary remuneration of the Directors at a sum not exceeding £45,000 per annum in accordance with Article 21 of the Articles of Association of the Company.
7. To consider and, if thought fit, to pass the following Resolutions:

Ordinary Resolution

(i) THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to exercise all powers of the Company to allot relevant securities (as defined in that Section) of the Company up to an aggregate nominal amount of £2,500,000 during the period commencing on the date of the passing of this Resolution and expiring on 21 October 1996 (both dates inclusive) so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry.

Special Resolution

(ii) THAT during the period ending 30 November 1992 the Directors be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 ("the Act") to allot, issue, grant options or rights over or otherwise dispose of unissued shares of the Company pursuant to the authority given in accordance with Section 80 of the Act by the said Resolution No. 7 (i) as if Section 89 (1) of the Act did not apply to any such allotment, issue, option or right in such manner and to such persons at such times, at such consideration and otherwise as the Directors in their absolute discretion may think fit.

By Order of the Board
M. D. Cookson
Secretary

Wardle
Nantwich
Cheshire CW5 6BP
4 September 1991

A member of the Company who is entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend, speak and (on a poll) to vote in his or her place. A proxy need not be a Member of the Company. A proxy form is enclosed. Instructions for use are shown on the form.

Explanatory Note — Resolution 7

Resolutions passed at the Annual General Meeting last year authorised the Directors to allot further shares during the period up to 24 October 1995, and to allot such shares otherwise than to existing shareholders during the period up to 30 November 1991. Resolution 7 simply extends such authorities to 21 October 1996 and 30 November 1992 respectively. This allows the Directors some flexibility in the issue of shares generally, for example in the financing of new business opportunities or the granting of options, and is normal practice for a company of the size of NWF Limited.

NWF LIMITED
Wardle, Nantwich,
Cheshire CW5 6BP