

**Dinkie**

Report  
&  
Accounts  
2003



**Dinkie Heel plc**

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# Dinkie Heel plc

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# Chairman's Statement

## Share placing and capital re-organisation

At the EGM on 19 April 2004 the shareholders agreed to the proposals set out and explained in my letter and in the Circular dated 26 March 2004.

The immediate financial result is the issue of 128.8 million new ordinary shares at 1p each resulting in the receipt of £873,000 (net of expenses) from the placing of 95.8 million shares and the cancellation and conversion into 33.0 million shares of £330,000 of Loan Notes 2003. The balance of £70,000 of Loan Notes 2003 has been repaid and the outstanding VAT liability settled.

Existing bank facilities are more than adequate for the continuing business.

The pro forma balance sheet below illustrates the effect of these transactions had they taken place at 31 December 2003 and excluding trading and other subsequent transactions. The balance sheet deficit at December 2003 is eliminated by these transactions and shareholders' funds become positive.

	Balance sheet at 31 December 2003 £'000	Loan Notes cancellation, conversion & repayment £'000	Ordinary shares placed (net of expenses) £'000	VAT payment £'000	Pro forma balance sheet after these transactions £'000
Fixed assets	272				272
Current assets:					
Stocks	589				589
Debtors	859				859
Creditors	(863)			223	(640)
Loan Notes	(400)	400			-
Total bank borrowings	(1,259)	(70)	873	(223)	(679)
Net (liabilities)/assets	(802)	330	873	-	401

## Future business strategy

Alongside the existing business activities of the company the Board, with the additional benefit of the skills of its new directors, David Horner and Peter Cook, wish to invest in management buy-out and management buy-in opportunities with an overall value below £5 million. Target companies will be stable, steady growth, profitable and cash generative.

Suitable target businesses will be identified using the services of Chelverton Asset Management Limited (an unlisted investment management company controlled by David Horner) who will waive all fees until an investment is made by the company.

Although the company now has some seed capital it is expected that further funds will need to be raised to develop the business until such time that it becomes self funding through realisations and yields from investments.

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## Chairman's Statement continued

### Current trading and prospects

The ongoing businesses of the company have begun the year ahead of plan and with optimistic prospects. The sales of shoe repair products, especially of stiletto heel pieces, are ahead of forecast and sales of Phillips rubber products are now beginning to reflect the rebuilding of customer confidence that I anticipated would take some time.

Sales of body armour and protective garments for equestrian and motor cycle use continue to grow steadily as do sales of matting products, especially for equestrian uses where an improved product range is now offering increased sale opportunities. The toe cap business retains a sales office facility and has begun the year profitably.

### Financial results and operational review

Sales for the year were £5,636,000 (2002, £6,909,000) and the operating loss before exceptional items was £476,000 (2002, £881,000). Exceptional costs were £513,000 (2002, £691,000). The profit on sale of fixed assets was £481,000 (2002, £nil) and after charging interest of £177,000 (2002, £178,000) the loss on ordinary activities before taxation was £685,000 (2002, £1,750,000). In each year a research and development tax credit of £10,000 was received. The loss for the financial year was £675,000 (2002, £1,740,000) and the basic loss per share was 4.41p (2002, 11.78p).

Net cash outflow from operating activities was £399,000 (2002, £229,000) but was more than compensated by proceeds of sales of fixed assets totalling £1,577,000 and net debt was reduced to £1,659,000 (2002, £2,653,000).

The Davies Odell division reported sales ahead of last year by 4% at £4,494,000 and a segmental profit before exceptional items of £386,000 (2002, £244,000). Segmental net assets were £1,132,000 at 31 December 2003 (2002, £1,083,000) and the ratio of segmental profit to net assets was 34% (2002, 23%).

Dinkie results reflect the repercussions of the closure of all of the UK production facilities and sale of the related properties and fixed assets, in addition to an intensification of global competition for safety steel toe caps. The segmental loss before exceptional items was £682,000 (2002, £928,000).

### Dividends

The Board is unable to recommend a dividend for the year (2002, nil) and it will continue to be unable to do so while a deficit remains on the company profit and loss account.

Having gained shareholder approval at the EGM on 19 April 2004 for a capital reduction and re-organisation, the Board proposes in due course to apply to the Court for sanction of the reduction of capital to eliminate the profit and loss account deficit. The Court will be concerned to ensure that the creditors of the company will not be prejudiced by this and may require their position to be protected.

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## Chairman's Statement *continued*

### Directors and staff

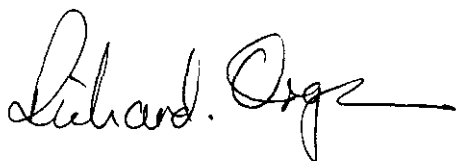
Denis Burn stood down from the Board on 31 December 2003 and Andrew Stowey, Martyn Stowey and Bob Mitchell immediately following the EGM on 19 April 2004.

Denis served the company as a non-executive director for more than six years and I am most grateful for the commitment, advice and support he gave the company over that time.

Andrew and Martyn had 25 and 28 years respective service with the company. I would like to thank them for their long service and wish them good luck with their new business ventures.

Bob joined what is now known as Davies Odell in 1963. He has a continuing service contract with the company and will remain as general manager of the profitable Odell business reporting, for the time being, to myself. The change has enabled the Board to be re-arranged to accord with the new business strategy.

*It remains for me to thank all of our staff for their support during a very turbulent period in the company's history. Many long serving personnel have lost their jobs as a result of the actions that the Board has had to take to secure the company's future and to these people particularly I offer my thanks for their service and best wishes for the future.*



Richard Organ  
*Chairman*

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# Directors' Report

Your directors have pleasure in submitting their annual report and the audited financial statements of the company for the year ended 31 December 2003.

## Principal activities

The principal activities of the company during the year were the production and supply of safety steel toe caps and a wide range of other components for the footwear manufacture and repair industries together with the manufacture and distribution of products for personal protection and for the equestrian and dairy industries.

## Results

The loss for the year after providing for all expenses and after receipt of a tax credit of £10,000 amounts to £675,000. The directors do not recommend the payment of a dividend. The loss for the year is set against reserves.

## Directors

The beneficial interests in shares of the company of the directors at the end of the financial year are shown in note 8 to the accounts on page 18.

R T Organ BA(Hons) FRSA (51) is a non-executive director and Chairman. He has significant experience of manufacturing and marketing in the footwear and clothing industries gained with C & J Clark Ltd and Coats Viyella PLC. He is a non-executive director of Swallowfield PLC.

C R Ball PhD (63) is Managing Director and G C Martin FCA (59) Financial Director.

D A S Burn MBA BSc MIMechEng resigned from the Board on 31 December 2003. M J Stowey, A J Stowey and R J Mitchell all resigned from the Board on 19 April 2004 following the EGM.

D A Horner and P G Cook were appointed to the Board as non-executive directors on 19 April 2004. In accordance with Article 85 they each retire at the annual general meeting and, being eligible, offer themselves for re-election.

D A Horner (44) is a Chartered Accountant. He qualified with Touche Ross and in 1986 joined 3i Corporate Finance Limited. In 1997 he set up Chelverton Asset Management Limited which specialises in managing portfolios of investments in private companies and small to medium size public companies. He set up Chelverton Growth Trust Plc, manages the Small Companies Dividend Trust Plc and is a director of Talisman First Venture Capital Trust Plc, Athelney Trust plc, The Quoted Companies Alliance and CFA Capital Group plc.

P G Cook (52) is a Chartered Accountant and, having qualified with Kidsons Impey, he has taken finance and commercial roles with a number of companies. He served as finance director and managing director of Assurity Europe Limited, a venture capital financed MBO whose activities are focused on the fast growing market for business consultancy and disaster recovery services serving blue chip clients in the UK. He is currently a director of a number of other companies.

The director retiring by rotation in accordance with Articles 90 and 91 is R T Organ who, being eligible, offers himself for re-election.

C R Ball and G C Martin have service contracts with the company. On 31 January 2003 they each agreed that notice under those contracts would be reduced by one week for each week that elapses until such notice has reduced to and remains at twelve weeks. The effective date at which the reduction to twelve weeks is achieved is 5 November 2004.

# Directors' Report continued

**Substantial shareholdings** In addition to directors' shareholdings shown on pages 18 and 19, the following shareholders held more than 3% of the company's ordinary shares at 20 May 2004:

	Shares
Granite Management Services Ltd	9,300,000
HSBC Global Custody Nominee (UK) Limited 900211 Acct	6,570,600
Dartington Portfolio Nominees Limited	5,543,721
HSBC Global Custody Nominee (UK) Limited 744285 Acct	5,000,000
NCL (Nominees) Limited	5,000,000

**Payment policy** Company policy is to determine terms and conditions of payment with suppliers when negotiating the other terms of supply and to abide by the terms of payment. At the year end the company had an average of 25 days (2002, 25 days) purchases outstanding in trade creditors.

**Financial and treasury policy** The company finances its operations by a combination of retained profits, management of working capital, bank overdraft and working capital facilities and medium term loans. The disclosures for financial instruments are made in note 19 to the accounts on page 24.

Interest rate risk is controlled by a combination of fixed and variable rates of interest.

Liquidity risk is managed by the preparation of cash flow forecasts and by monthly comparison of actual cash flows against the forecasts. Company policy is to ensure that funding is in place sufficient that trading activities are not impaired.

Currency risk is principally in respect of transactions in US dollars and euros. Company policy is to match as far as possible through the normal course of trade the level of sales and purchases in foreign currencies.

**Extraordinary general meeting and serious loss of capital** At 31 December 2003 the net assets of the company are at less than one half of its called up share capital. An extraordinary general meeting called in accordance with Section 142 of the Companies Act 1985 will follow immediately the annual general meeting and consider whether any steps, other than those that the Board is taking as described in the Chairman's Statement, should be taken to deal with the situation.

**Auditors** PricewaterhouseCoopers LLP are willing to continue in office and a resolution proposing their re-appointment will be submitted to the annual general meeting.

On behalf of the Board  
G C Martin  
*Secretary*  
10 June 2004



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# Corporate Governance

The Board is committed to high standards of corporate governance and recognises that it is accountable to shareholders for good governance. The company's corporate governance procedures define the duties and constitution of the Board and the various Board committees and, as appropriate, specify responsibilities and level of responsibility. The principal procedures are summarised below:

## **The Board**

The Board is comprised of three non-executive directors, one of whom is Chairman, and two executive directors. The non-executive directors are fully independent of management. The differing roles of the Chairman and of the Managing Director are recognised by the Board. Further details of the Board members are given in the Directors' Report on page 4.

All directors, other than the Managing Director, are subject to retirement by rotation and re-election by the shareholders in accordance with the Articles of Association.

The Board meets regularly, at least eight times a year and with additional meetings being arranged when necessary.

The company seeks constructive dialogue with institutional and private shareholders through direct contact and through the opportunity for all shareholders to attend and ask questions at the annual general meeting.

## **Audit committee**

This committee comprises the non-executive directors and is chaired by P G Cook. The audit committee is responsible for the appointment of the external auditor, agreeing the nature and scope of the audit and reviewing and making recommendations to the Board on matters related to the issue of financial information to the public. It assists all directors in discharging their responsibility to ensure that accounting records are adequate and that the financial statements give a true and fair view.

## **Nomination committee**

This committee comprises the Chairman and the other non-executive directors. It is responsible for making recommendations to the Board on any appointment to the Board.

## **Remuneration committee**

This committee is comprised of the Chairman and the other non-executive directors.

The remuneration committee sets the remuneration and other terms of employment of executive directors. Remuneration levels are set by reference to individual performance, experience and market conditions with a view to providing a package appropriate for the responsibilities involved.

Directors' contracts are designed to provide the assurance of continuity which the company desires. There are no provisions for pre-determined compensation on termination.

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## Corporate Governance continued

### **Remuneration committee** continued

Pensions for directors are based on salary alone and are provided by the company defined contribution scheme and defined benefits scheme. Contributions are paid to these schemes in accordance with independent actuarial recommendations or funding rates determined by the remuneration committee as appropriate to the type of scheme.

Non-executive directors have no service contracts and no pension contributions are made on their behalf.

Full details of directors' remuneration and benefits are given in note 8 to the financial statements on pages 17 to 19.

### **Internal financial control**

The Board has overall responsibility for the system of internal financial control which is designed with regard to the size of the company to provide reasonable but not absolute assurance against material mis-statement or loss. The Board reviews the effectiveness of the internal financial control environment. The organisational structure of the company gives clear management responsibilities in relation to internal financial control. Financial risks are controlled through clearly laid down authorisation levels. There is an annual budget which is approved by the directors. The results of the operating locations are reported monthly and compared to the budget. The audit committee receives a report from the external auditors annually.

### **Going concern**

The directors have considered the financial and operating position of the company and they consider that it is appropriate to adopt the going concern basis in preparing the accounts.

### **Directors' responsibility statement**

The directors are required to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the results for the year. In preparing the financial statements suitable accounting policies have been used and consistently applied and reasonable and prudent judgements and estimates have been made. The financial statements are prepared on a going concern basis and in compliance with applicable accounting standards and with the Companies Act 1985. The directors are also responsible for maintaining adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

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# Independent Auditors' Report

To the members of Dinkie Heel plc

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes and the accounting policies set out in the statement of accounting policies.

## Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 1985. 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent mis-statements or material inconsistencies with the financial statements. The other information comprises only the chairman's report, the directors' report and the corporate governance statement.

## 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2003 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Michaela Hancock*  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Bristol  
10 June 2004

## Profit and Loss Account

	Note	2003 £'000	2002 £'000
<b>Profit and Loss account</b>			
Turnover from continuing operations	2	5,636	6,909
Cost of sales		(5,390)	(7,024)
Gross profit/(loss)		246	(115)
Net operating expenses (including exceptional items)	3	(1,235)	(1,457)
Operating loss before exceptional items		(476)	(881)
Exceptional items			
Restructuring costs		(477)	(618)
Goodwill impairment provision		(36)	-
Plant & Machinery impairment provision		-	(647)
Profit on sale of property held for resale		-	574
Operating loss from continuing operations		(989)	(1,572)
Profit on sale of fixed assets		481	-
Interest payable	6	(177)	(178)
Loss on ordinary activities before taxation	7	(685)	(1,750)
Taxation	9	10	10
Loss for the financial year		(675)	(1,740)
Dividends	10	-	-
Loss for the year set against reserves	22	(675)	(1,740)
<b>Earnings</b>			
Loss per share – basic and diluted	11	(4.41p)	(11.78p)

The company has no recognised gains or losses other than the loss for the financial year as set out above. In the opinion of the directors the results on a historical cost basis are not materially different from the results as set out above.

The notes on pages 12 to 27 form an integral part of these financial statements.

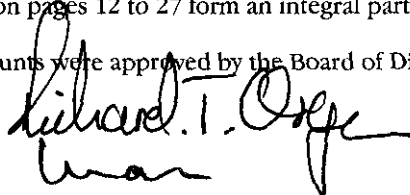
# Balance Sheet

	Note	2003 £'000	2002 £'000
<b>Net assets employed</b>			
<b>Fixed assets</b>			
Intangible assets	12	-	39
Tangible assets	13	272	1,427
Investment in associate	14	-	-
		<u>272</u>	<u>1,466</u>
<b>Current assets</b>			
Stocks	15	589	848
Debtors	16	859	1,039
Cash at bank and in hand		-	17
		<u>1,448</u>	<u>1,904</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(1,982)</u>	<u>(2,775)</u>
<b>Net current liabilities</b>		<u>(534)</u>	<u>(871)</u>
<b>Total assets less current liabilities</b>		<u>(262)</u>	<u>595</u>
<b>Creditors: amounts falling due after more than one year</b>	18	<u>(540)</u>	<u>(764)</u>
<b>Provisions for liabilities and charges</b>	20	<u>-</u>	<u>-</u>
<b>Net liabilities</b>	2	<u>(802)</u>	<u>(169)</u>
<b>Capital and reserves</b>			
Called up share capital	21	785	738
Share premium	22	710	715
Revaluation reserve	22	-	513
Profit and loss account	22	<u>(2,297)</u>	<u>(2,135)</u>
<b>Total equity shareholders' funds</b>	23	<u>(802)</u>	<u>(169)</u>

The notes on pages 12 to 27 form an integral part of these financial statements.

These accounts were approved by the Board of Directors on 10 June 2004.

R T Organ  
G C Martin  
Directors



## Cash Flow Statement

	Note	2003 £'000	2002 £'000
<b>Reconciliation of operating loss to net cash outflow from operating activities</b>			
Operating loss		(989)	(1,572)
Depreciation and amortisation charges		121	330
Profit on sale of property held for resale		-	(574)
Impairment provisions		36	647
Associate, provision for costs of establishment		-	148
Decrease in stocks		259	370
Decrease in debtors		180	613
Decrease in creditors		(6)	(191)
		<hr/>	<hr/>
Net cash outflow from operating activities		(399)	(229)
		<hr/>	<hr/>

### Cash Flow Statement

Net cash outflow from operating activities		(399)	(229)
Returns on investments and servicing of finance	26	(177)	(178)
Taxation	26	10	10
Capital expenditure and financial investment	26	1,518	582
Acquisitions	26	-	(74)
		<hr/>	<hr/>
		952	111
Financing	26	231	98
		<hr/>	<hr/>
Increase in cash		1,183	209
		<hr/>	<hr/>

### Reconciliation of net cash flow to movement in net debt

Increase in cash in the period		1,183	209
Cash increase from change in debt		(189)	(98)
		<hr/>	<hr/>
Change in net debt		994	111
Net debt at 1 January 2003		(2,653)	(2,764)
		<hr/>	<hr/>
Net debt at 31 December 2003	27	(1,659)	(2,653)
		<hr/>	<hr/>

# Notes to the Accounts

## 1. Accounting policies

### (a) Accounting convention:

These accounts have been prepared under the historical cost convention modified by the revaluation of land and buildings and in accordance with applicable United Kingdom accounting standards. Accounting policies have been consistently applied.

### (b) Income recognition:

Turnover comprises the invoiced value of goods sold, excluding VAT (which is recognised on despatch).

### (c) Fixed assets:

Where the carrying value of its tangible fixed assets reflects previous valuations the company has adopted the transitional provisions of FRS15 and retained the current book amounts.

No depreciation is provided on freehold land. Other fixed assets are depreciated on a straight line basis over the following periods:

Freehold and leasehold buildings	50 years or, if shorter, the life of the lease
Plant and machinery	Between 5 and 10 years
Motor vehicles	5 years
Tools and moulds	7 years or over the period of the contract

The carrying value of fixed assets, including tangible, intangible and investments, is compared to the higher of value in use and the pre-tax realisable value. If the carrying value exceeds the higher of the value in use and pre-tax realisable value the asset is impaired and its value reduced by charging additional depreciation.

### (d) Stocks:

Stocks are valued at the lower of cost and net realisable value. Stocks of raw materials are valued on a first in first out basis at net invoice values charged by suppliers. The value of work in progress and finished goods includes the direct cost of materials and labour together with an appropriate proportion of factory overheads.

### (e) Deferred taxation:

Provision is made for deferred taxation using the liability method on all timing differences arising between profits as shown by the accounts and profits as computed for taxation purposes. Deferred tax assets are recognised where their recovery is more likely than not. Deferred tax assets and liabilities are not discounted.

### (f) Foreign currencies:

Items in foreign currencies are expressed in sterling at the rates of exchange ruling at the balance sheet date. Differences arising from changes in exchange rates during the year are taken to the profit and loss account.

### (g) Acquisitions:

Net tangible assets acquired are included in the accounts at their fair value. Following the introduction of FRS10 differences arising between the fair value of the consideration and the fair value of assets acquired are capitalised as goodwill and amortised over a period not exceeding 20 years.

In 1997 and prior years such differences were dealt with through reserves. On any subsequent disposal of the related businesses the appropriate amount will be charged or credited to the profit and loss account.

## Notes to the Accounts continued

### 1. Accounting policies

continued

#### (h) Pensions:

Pension costs charged against profits for the defined contribution scheme are the amount of contributions payable to the pension scheme in respect of the accounting period. For the defined benefit scheme the charge is the amount derived by spreading the cost of pensions over the estimated remaining service lives of employees. Further details of the scheme are given in note 5.

#### (i) Operating leases:

The annual costs of operating leases are charged to the profit and loss account.

### 2. Turnover and segmental analysis

The United Kingdom is the source of turnover and operating profit and the principal location of the net assets of the company. The directors consider that the company operates in two business segments serving various markets. Turnover, loss on ordinary activities before taxation and net assets are analysed as follows:

Segment of activity	Dinkie		Davies Odell		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Turnover	<b>1,142</b>	2,592	<b>4,494</b>	4,317	<b>5,636</b>	6,909
Segmental (loss)/profit before exceptional items	<b>(682)</b>	(928)	<b>386</b>	244	<b>(296)</b>	(684)
Exceptional items	<b>(477)</b>	(691)	<b>(36)</b>	-	<b>(513)</b>	(691)
Profit on sale of fixed assets	<b>403</b>	-	<b>78</b>	-	<b>481</b>	-
Segmental (loss)/profit before Group costs	<b>(756)</b>	(1,619)	<b>428</b>	244	<b>(328)</b>	(1,375)
Group costs					<b>(180)</b>	(197)
Loss before interest and taxation					<b>(508)</b>	(1,572)
Interest payable					<b>(177)</b>	(178)
Loss before taxation					<b>(685)</b>	(1,750)
Net (liabilities)/assets	<b>(275)</b>	1,401	<b>1,132</b>	1,083	<b>857</b>	2,484
Unallocated net debt					<b>(1,659)</b>	(2,653)
Total net liabilities					<b>(802)</b>	(169)

## Notes to the Accounts continued

<b>2. Turnover and segmental analysis</b> <small>continued</small>	Geographical analysis of turnover	2003 £'000	2002 £'000
	United Kingdom	3,872	4,534
	Rest of Europe	774	773
	The Americas	304	443
	Australasia	49	46
	Far East	557	800
	Africa	80	313
		<u>5,636</u>	<u>6,909</u>

<b>3. Net operating expenses</b>		2003 £'000	2002 £'000
	Distribution costs	262	214
	Administrative expenses, normal	460	552
	Administrative expenses, exceptional		
	Restructuring costs	477	618
	Goodwill impairment provision	36	-
	Plant & machinery impairment	-	647
	Profit on sale of property held for resale	-	(574)
		<u>1,235</u>	<u>1,457</u>

Restructuring costs of £477,000 include termination payments to employees £258,000, costs of removal of production overseas £141,000 and consultants' and other related professional fees £78,000.

**4. Staff numbers and costs** The average number of persons employed by the company during the year was:

	2003	2002
Management and administration	18	19
Production and sales	56	81
	<u>74</u>	<u>100</u>

At 31 December 2003 the total number of persons employed was 59 (2002, 84).

The aggregate payroll costs of these persons were:

	2003 £'000	2002 £'000
Wages and salaries	1,228	1,829
Social security costs	114	156
Other pension costs	104	121
	<u>1,446</u>	<u>2,106</u>

## Notes to the Accounts continued

### 5. Pension costs

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to **£53,000** (2002, £68,000).

The company also operates a defined benefits scheme. The scheme was closed to new employees in 1988. The assets of the scheme are held separately from those of the company in a deposit administration contract underwritten by an insurance company. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The most recent actuarial valuation was at 1 July 2001 and the main actuarial assumptions were a rate of interest of 8.0% before retirement, 6.0% after retirement and a rate of salary increase of 6.0%. The valuation showed that the market value of the scheme assets was £1,684,000 and that the level of funding on an ongoing basis is 109%. The company funding rate of 12.5% is intended to restore a 100% funding level over nine years, the average future working lifetime of the active membership. The pension charge for the year was **£51,000** (2002, £53,000).

To comply with the transitional provisions of FRS17 'Retirement Benefits' the company commissioned an independent qualified actuary to update to 31 December 2003 the results of the previous valuation. The results of the update are as follows:

	31 December 2003	31 December 2002
Financial assumptions:		
Salary increases	3.5%	3.5%
Increases to pensions and deferred pensions	2.75%	2.5%
Discount rate	5.5%	5.5%
RPI	2.75%	2.5%
The assets of the scheme and the expected return on assets were:		
Assets	£1,646,000	£1,784,000
Return on assets	7.0%	7.0%
Financial position:		
	£'000	£'000
The assets of the scheme	1,646	1,784
Actuarial liabilities	<u>(1,480)</u>	<u>(1,640)</u>
Surplus	166	144
Related deferred tax liability	<u>-</u>	<u>-</u>
Net pension asset	<u>166</u>	<u>144</u>
Balance sheet net liabilities	(802)	(169)
Pension asset	<u>166</u>	<u>144</u>
Adjusted balance sheet net liabilities	<u>(636)</u>	<u>(25)</u>

## Notes to the Accounts continued

5. Pension costs <small>continued</small>	31 December 2003 £'000	31 December 2002 £'000
Profit and loss deficit excluding pension asset	(2,297)	(2,135)
Pension asset	<u>166</u>	<u>144</u>
Adjusted profit and loss deficit	<u>(2,131)</u>	<u>(1,991)</u>
Analysis of the amount charged to operating profit:		
Current service cost	37	65
Cost on settlements	24	-
Cost on curtailments	(20)	-
	<u>41</u>	<u>65</u>
Analysis of the amount credited to financing of pension provisions:		
Expected return	120	127
Interest on pension liabilities	(83)	(99)
Net finance return	<u>37</u>	<u>28</u>
Amount recognised in the statement of total recognised gains and losses (STRGL):		
Actual return less expected return on scheme assets	(33)	(166)
Experience gains and losses	53	284
Change in assumptions underlying present value of plan liabilities	(43)	(153)
Actuarial loss in STRGL	<u>(23)</u>	<u>(35)</u>
Movement in surplus during the year:		
Surplus at the beginning of the year	144	156
Total operating charge	(41)	(65)
Company contributions	49	60
Net finance return	37	28
Actuarial loss in STRGL	(23)	(35)
Surplus at the end of the year	<u>166</u>	<u>144</u>
6. Interest payable		
	2003 £'000	2002 £'000
On bank loans and overdrafts and all other loans	<u>177</u>	<u>178</u>

## Notes to the Accounts continued

<b>7. Loss on ordinary activities before taxation</b>	2003	2002
	£'000	£'000
is stated after charging:		
Depreciation and amortisation:		
of intangible fixed assets	3	2
of tangible fixed assets	118	328
Impairment provisions:		
of intangible fixed assets	36	-
of tangible fixed assets	-	647
Auditors' remuneration and expenses:		
for audit	19	23
for non-audit	16	6
Operating leases:		
on land and buildings	85	75
on plant and machinery	8	5
and after crediting:		
profit on sale of fixed assets		
arising from sale of freehold property in Bristol and Kettering	481	-

<b>8. Directors' emoluments and interests</b>	2003	2002
	£'000	£'000
The aggregate remuneration of the directors was:		
Fees	15	15
Salaries and benefits	293	309
	<hr/>	<hr/>
Total	308	324
	<hr/>	<hr/>

The remuneration of the Chairman, R T Organ, and of the other directors who served during the year was:

	Salaries and fees		Benefits		Total	
	2003	2002	2003	2002	2003	2002
	£'000	£'000	£'000	£'000	£'000	£'000
Executive						
C R Ball	66	66	15	13	81	79
G C Martin	54	54	1	11	55	65
R J Mitchell	39	39	7	6	46	45
A J Stowey	33	35	8	9	41	44
M J Stowey	39	43	1	1	40	44
Non-executive						
R T Organ	35	35	-	-	35	35
D A S Burn	10	12	-	-	10	12
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	276	284	32	40	308	324
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Benefits represent the value attributed to company cars, fuel and medical insurance.

## Notes to the Accounts continued

### 8. Directors' emoluments and interests continued

Directors' pensions are secured in the company defined benefits and defined contribution schemes. Details are shown below:

Defined benefits scheme	Accrued	Increase in	Accrued	Transfer value of
	pension at 31 December 2002 £'000 pa	accrued pension during 2003 £'000 pa	pension at 31 December 2003 £'000 pa	the increase in accrued pension during 2003 £'000
C R Ball	23	1	24	3
G C Martin	14	1	15	3
A J Stowey	11	-	11	-
M J Stowey	14	-	14	-
	<u>62</u>	<u>2</u>	<u>64</u>	<u>6</u>

The increase in accrued pension during the year excludes any increase for inflation.

Defined contribution scheme	Company contributions	
	2003 £'000	2002 £'000
C R Ball	4	4
G C Martin	3	3
R J Mitchell	3	3
A J Stowey	2	2
M J Stowey	2	3
	<u>14</u>	<u>15</u>

The directors' beneficial interests, including those of their families, in shares of the company were:

	31 December 2003		31 December 2002	
	shares	options	shares	options
Executive				
C R Ball	744,719	-	744,719	-
G C Martin	12,586	-	12,586	-
R J Mitchell	126,145	-	126,145	-
A J Stowey	1,278,689	-	1,278,689	-
M J Stowey	1,285,899	-	1,285,899	-
Non-executive				
R T Organ	300,000	150,000	100,000	150,000

## Notes to the Accounts continued

### 8. Directors' emoluments and interests continued

In connection with the restructuring and refinancing of the business, directors subscribed for new shares and cancelled and converted Loan Notes 2003 into shares on 19 April 2004 as follows:

	New shares subscribed for	Loan Notes 2003 cancelled and converted into shares
R T Organ	3,000,000	2,000,000
C R Ball	–	5,000,000
G C Martin	–	1,000,000
R J Mitchell	–	1,000,000
D A Horner	20,000,000	–
P G Cook	7,000,000	–

There have been no other changes in the interests of any director up to 20 May 2004.

R T Organ has an option to subscribe for 150,000 shares at 6.75p per share, exercisable from 22 May 2004 and that expires on 21 May 2011, the terms of which may be adjusted by the Board to reflect variations of share capital. No options lapsed or were granted or exercised during the year nor have any been granted or exercised up to 20 May 2004. The market price of the shares at 31 December 2003 was 6.0p and the range during 2003 was 6.50p to 3.25p.

The register of directors' interests, which is open to inspection, contains full details of directors' shareholdings and options to subscribe for shares.

Directors' holdings at 31 December 2003 of Loan Notes 2003 (see notes 19 and 25) were C R Ball £50,000, G C Martin £10,000, R J Mitchell £10,000 and R T Organ £20,000.

## Notes to the Accounts continued

9. Taxation	2003 £'000	2002 £'000
a) Analysis of tax credit in the year:		
UK corporation tax on profits of the period	–	–
Tax repaid in respect of previous periods	10	10
	<u>10</u>	<u>10</u>
b) Factors affecting current tax credit:		
Loss before taxation	(685)	(1,750)
Loss multiplied by the standard rate of UK tax of 30% (30%)	(205)	(525)
Effects of:		
Expenses not deductible for tax purposes	46	43
Accelerated capital allowances and other timing differences	217	482
Profit on disposal of buildings not taxed	(58)	–
Tax repaid in respect of previous periods	10	10
	<u>10</u>	<u>10</u>
Total current tax credit	10	10

### 10. Dividends

No dividends have been paid or proposed for the year (2002, nil).

### 11. Loss per share

The basic loss per share is calculated on losses of **£675,000** (2002, £1,740,000) and on **15,290,075** (2002, 14,770,000) ordinary shares, being the weighted number in issue during the period.

As losses have been incurred in each year the exercise of share options would not have been dilutive and accordingly basic and diluted earnings per share are the same.

## Notes to the Accounts continued

### 12. Intangible fixed assets

	Goodwill £'000
Cost	
1 January 2003 and 31 December 2003	521
Amortisation	
1 January 2003	482
Charge for the year	3
Impairment provision	36
	521
31 December 2003	521
Net book amount	
31 December 2003	-
31 December 2002	39

### 13. Tangible fixed assets

	Land & Buildings £'000	Plant & Machinery £'000	Tools & Moulds £'000	Motor Vehicles £'000	Total £'000
Cost or Valuation					
1 January 2003	1,329	3,476	1,724	173	6,702
Additions	-	59	-	-	59
Disposals	(1,329)	(1,922)	-	(64)	(3,315)
	-	1,613	1,724	109	3,446
31 December 2003	-	1,613	1,724	109	3,446
Depreciation					
1 January 2003	278	3,125	1,720	152	5,275
Charge for the year	16	87	1	14	118
Disposals	(294)	(1,862)	-	(63)	(2,219)
	-	1,350	1,721	103	3,174
31 December 2003	-	1,350	1,721	103	3,174
Net Book Amount					
31 December 2003	-	263	3	6	272
31 December 2002	1,051	351	4	21	1,427

## Notes to the Accounts continued

- 14. Investment in associate** The company has a one third shareholding in Universal Dinkie (Proprietary) Limited (UD), a company registered in Botswana. The company does not have control of the board of UD nor of its day-to-day operations. During the year goods valued at £76,000 were sold to UD and at 31 December 2003 the balance outstanding was £nil. In 2003 UD incurred a trading loss and the cost of investment has been reduced by a provision for the costs of establishment incurred.

	2003 £'000	2002 £'000
Cost of investment at 1 January	173	99
Additions	-	74
	<hr/>	<hr/>
at 31 December	173	173
	<hr/>	<hr/>
Provision for share of costs of establishment at 1 January	173	25
Additions	-	148
	<hr/>	<hr/>
at 31 December	173	173
	<hr/>	<hr/>
Net book amount at 31 December	-	-
	<hr/>	<hr/>

## Notes to the Accounts continued

<b>15. Stocks</b>		<b>2003</b>	<b>2002</b>
		<b>£'000</b>	<b>£'000</b>
	Raw materials and consumables	203	278
	Work in progress	4	18
	Finished goods and goods for resale	382	552
		<u>589</u>	<u>848</u>
<b>16. Debtors</b>		<b>2003</b>	<b>2002</b>
		<b>£'000</b>	<b>£'000</b>
	Trade debtors	827	964
	Prepayments	32	75
		<u>859</u>	<u>1,039</u>
<b>17. Creditors:</b>			
<b>Amounts falling due</b>		<b>2003</b>	<b>2002</b>
<b>within one year</b>		<b>£'000</b>	<b>£'000</b>
	Bank overdraft	547	1,747
	Bank loan	219	104
	Loan Notes 2003	400	105
	Trade creditors	365	490
	Tax and social security	263	109
	Other creditors	18	19
	Accruals	170	201
		<u>1,982</u>	<u>2,775</u>

The bank loan and overdraft are secured by a Debenture over all property and by fixed and floating charges over the other assets of the company. The Loan Notes 2003, of which further details are given in notes 19 and 25, were at 31 December 2003 secured by a second floating charge over the assets of the company and details of Loan Notes held by directors are shown in note 8 on page 19.

Following the EGM on 19 April 2004 all Loan Notes have either been cancelled and exchanged for shares or repaid. Details of the arrangements agreed at the EGM are given in note 25 on page 26.

## Notes to the Accounts continued

### 18. Creditors: Amounts falling due after more than one year

	2003 £'000	2002 £'000
Bank loans repayable:		
between one and two years	219	212
between two and five years	274	502
Other creditors	47	50
	<u>540</u>	<u>764</u>

The bank loan is secured by a Debenture over all property and by fixed and floating charges over the other assets of the company. The amount of £219,000 repayable in 2004 is shown in creditors falling due within one year.

### 19. Financial instruments

Financial liabilities	Floating rate £'000	Fixed rate £'000	Fixed rate financial liabilities Weighted average	
			Interest rate %	Period that rate is fixed in years
2003	<u>1,259</u>	<u>400</u>	<u>12.0</u>	<u>0.0</u>
2002	<u>1,747</u>	<u>923</u>	<u>8.3</u>	<u>0.8</u>

All loans, overdrafts and working capital facilities of the company are denominated in sterling and have floating rates of interest at 1.25% or 1.75% over Base Rate. Loan Notes 2003 have a fixed rate of interest of 12%. At 31 December 2003 the company had no undrawn overdraft facilities. The market value of the loans approximates to their fair values.

Other short term debtors and creditors have been excluded from the above disclosures. The company's risks and policies for financial instruments are described in the Directors' Report on page 5. The company does not operate any financial hedging instruments.

At the EGM on 19 April 2004 the company arranged a financial restructuring of which details are given in the post balance sheet events note 25 on page 26. A pro forma balance sheet illustrating the effect of certain of these transactions is included in the Chairman's Statement on page 1.

### 20. Provisions for liabilities and charges

At a tax rate of 30% the company has losses for tax purposes of £753,000 (2002, £549,000) and deferred tax assets of £236,000 (2002, £171,000) in respect of accelerated capital allowances. No asset for deferred taxation has been recognised due to the current financial position of the company.

## Notes to the Accounts continued

### 21. Share capital

	2003 £'000	2002 £'000
Ordinary shares of 5p per share		
Authorised:		
20,000,000 (2002, 17,000,000) shares	1,000	850
Allotted, called and fully paid:		
15,706,056 (2002, 14,770,000) shares	785	738

In June 2003 the company issued 936,056 ordinary shares for cash at 5p each, realising £42,000 net of expenses. The issue assisted in financing the company's reorganisation requirements.

Options granted and remaining unexercised at 31 December 2003 are as follows:

No of shares	Period during which the right is exercisable	Price per share to be paid
250,000	until 31 December 2008	6.75p
150,000	between 22 May 2004 and 21 May 2011	6.75p

The terms of the share options may be adjusted by the Board to reflect variations of share capital.

The post balance sheet events note 25 on page 26 contains details of changes to the share capital agreed by shareholders at the EGM on 19 April 2004.

### 22. Reserves

	Share Premium £'000	Revaluation Reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2003	715	513	(2,135)	(907)
Revaluation surplus released	-	(513)	513	-
Loss for the year	-	-	(675)	(675)
Expenses of share issue	(5)	-	-	(5)
At 31 December 2003	710	-	(2,297)	(1,587)

The cumulative amount of goodwill arising from acquisitions in earlier years which has been written off through reserves is £707,000.

### 23. Reconciliation of movement in equity shareholders' funds

	2003 £'000	2002 £'000
Loss for the financial year	(675)	(1,740)
Share capital issued, net of expenses	42	-
Shareholders' funds at 1 January 2003	(169)	1,571
Shareholders' funds at 31 December 2003	(802)	(169)

## Notes to the Accounts continued

### 24. Commitments

Capital expenditure contracted for at 31 December 2003 and for which no provision has been made in these accounts is **£nil** (2002, **£nil**).

Commitments for operating lease payments due in the next year are:

	2003 £'000	2002 £'000
Land and buildings leases expiring:		
within two to five years	91	15
after five years	-	76
Other operating leases expiring:		
within one year	-	1
within two to five years	8	7
	<hr/> 99	<hr/> 99

### 25. Post balance sheet events

At the EGM on 19 April 2004 shareholders agreed to a placing of 95,800,000 shares at 1p each and the issue of warrants to all shareholders, on the basis of one warrant for every two ordinary shares held, giving the right to subscribe for ordinary shares at 2p per share. At that date the company had outstanding Loan Notes to the value of £400,000 and, as a part of the arrangements, holders of £330,000 of Loan Notes agreed to cancel their Loan Notes in exchange for ordinary shares at 1p each. The remaining £70,000 of Loan Notes were repaid from the proceeds of the placing. The company has also paid a VAT liability of £223,000 largely arising from the sale of its freehold premises in October 2003.

A pro forma balance sheet of the company illustrating the effect of these transactions had they taken place on 31 December 2003 but excluding subsequent trading and other transactions is included in the Chairman's Statement on page 1.

Shareholders also sanctioned at the EGM a capital re-organisation and reconstruction. Each of the existing ordinary shares of 5p each was sub-divided into and reclassified as one new ordinary share of 0.1p and one deferred share of 4.9p. The Board was also authorised in due course to apply to the Court for sanction of a reduction of capital to eliminate the profit and loss account deficit. In giving its sanction the Court may wish to ensure that creditors will not be prejudiced and may require the company to provide protection for creditors.

Full details of the share placing, issue of warrants and capital re-organisation were given in a document dated 26 March 2004 circulated to all shareholders.

## Notes to the Accounts continued

26. Gross cash flows	2003 £'000	2002 £'000
Returns on investments and servicing of finance:		
interest paid	177	178
Taxation:		
UK corporation tax repaid	(10)	(10)
Capital expenditure and financial investment:		
tangible fixed assets bought	59	112
tangible fixed assets sold	(1,577)	(20)
sale of property held for resale	-	(674)
	<u>(1,518)</u>	<u>(582)</u>
Acquisitions:		
investment in associate	-	74
Financing:		
increase in debt	(189)	(98)
issue of ordinary share capital	(47)	-
expenses of share issue	5	-
	<u>(231)</u>	<u>(98)</u>

27. Analysis of changes in net debt	at 1 Jan 2003 £'000	cash flows £'000	other non-cash changes £'000	at 31 Dec 2003 £'000
Cash at bank and in hand	17	(17)	-	-
Overdrafts	(1,747)	1,200	-	(547)
	<u>(1,730)</u>	<u>1,183</u>	<u>-</u>	<u>(547)</u>
Debt due within one year	(209)	(189)	(221)	(619)
Debt due after one year	(714)	-	221	(493)
	<u>(2,653)</u>	<u>994</u>	<u>-</u>	<u>(1,659)</u>

**28. Subsidiary undertakings** All subsidiary undertakings are non trading, wholly owned and incorporated in the UK. A complete list of subsidiary undertakings is included with the annual return. Consolidated accounts are not required in accordance with Companies Act 1985 Section 229(2).

## Notices of Meetings

### Annual general meeting

Notice is hereby given that the fifty-second annual general meeting of Dinkie Heel plc will be held at Engineers' House, The Promenade, Clifton Down, Bristol on Friday 2 July 2004 at 11.30am for the following purposes:

#### ORDINARY BUSINESS:

- 1 To receive and adopt the company's accounts and the reports of the directors and auditors for the year ended 31 December 2003.
- 2 To re-appoint D A Horner as a director of the company.
- 3 To re-appoint P G Cook as a director of the company.
- 4 To re-elect R T Organ as a director of the company.
- 5 To re-appoint PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, as auditors.
- 6 To authorise the directors to fix the remuneration of the auditors.

#### SPECIAL BUSINESS:

To consider and if thought fit to pass the following resolutions of which the resolution numbered 7 will be proposed as an ordinary resolution and the resolution numbered 8 will be proposed as a special resolution;

- 7 THAT, in substitution for any existing authority subsisting at the date of this resolution and pursuant to Section 80 of the Act the directors be and they are hereby authorised generally and unconditionally to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal amount of £185,855.13 provided that this authority, unless renewed, shall expire at the commencement of the annual general meeting next held after the date of the passing of this resolution, or, if earlier, fifteen months from the date of the passing of this resolution save that the company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
- 8 THAT, subject to the passing of resolution 7 set out above and in substitution for any existing authority subsisting at the date of this resolution, the directors be and they are hereby empowered, pursuant to Section 95 of the Act, to allot equity securities (within the meaning of Section 94 of the Act) pursuant to the authority given by resolution 7 above as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

## Notices of Meetings continued

### Annual general meeting continued

- (i) in connection with or the subject of an offer or invitation, open for a period fixed by the directors, to holders of ordinary shares and such other equity securities of the company as the directors may determine on the register on a fixed record date in proportion (as nearly as may be) to their respective holdings (subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or otherwise howsoever); or
- (ii) pursuant to the terms of any share scheme for employees approved by the members in general meeting; or
- (iii) (otherwise than pursuant to sub-paragraphs (i) and (ii) above) up to an aggregate nominal amount of £113,244.17,

and shall expire at the commencement of the annual general meeting next held after the date of the passing of this resolution, or, if earlier, fifteen months from the date of the passing of this resolution except that the company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and notwithstanding such expiry the directors may allot equity securities in pursuance of such offers or agreements.

On behalf of the Board  
G C Martin  
*Secretary*

St Ivel Way  
Warmley  
Bristol BS30 8TY  
8 June 2004

#### Notes

- 1 A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the company.
- 2 A form of proxy is enclosed. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting in person.
- 3 To be effective the instrument appointing a proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be deposited at the office of the Registrars of the company not less than 48 hours before the time for holding the meeting.
- 4 The company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members registered in the register of members of the company as at 11.30am on 30 June shall be entitled to attend and vote at this meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at this meeting.
- 5 Copies of all contracts of service under which directors of the company are employed by the company or any of its subsidiaries and the Register of Directors' interests are available for inspection at the company's registered office during business hours on any weekday (Saturdays and public holidays excluded) from the date of this notice until the conclusion of the annual general meeting and will also be available for inspection at the place of the meeting from fifteen minutes before it is held until its conclusion.

## Notices of Meetings continued

### Extraordinary general meeting

Notice is hereby given that an extraordinary general meeting of Dinkie Heel plc will be held in accordance with Section 142 of the Companies Act 1985 at Engineers' House, The Promenade, Clifton Down, Bristol immediately following the annual general meeting on Friday 2 July 2004 for the purpose of considering:

THAT pursuant to Section 142 of the Act no steps need to be taken, other than those that the Board is taking, to deal with the situation that the net assets of the company are at less than half of its called up share capital.

On behalf of the Board  
G C Martin  
*Secretary*

St Ivel Way  
Warmley  
Bristol BS30 8TY  
8 June 2004

#### Notes

- 1 A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the company.
- 2 A form of proxy is enclosed. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting in person.
- 3 To be effective the instrument appointing a proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be deposited at the office of the Registrars of the company not less than 48 hours before the time for holding the meeting.

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# Company Information

<b>Directors</b>	C R Ball BA PhD, Managing P G Cook, Non-executive D A Horner, Non-executive G C Martin FCA, Financial R T Organ BA(Hons) FRSA, Non-executive Chairman
<b>Secretary and registered office</b>	G C Martin FCA St Ivel Way, Warmley, Bristol BS30 8TY Company number 507461
<b>Operating locations</b>	Dinkie St Ivel Way, Warmley, Bristol BS30 8TY Telephone 0117 303 3400 Fax 0117 303 3407  Davies Odell Portland Road, Rushden, Northants NN10 0DJ Telephone 01933 410818 Fax 01933 315976 For information about Body Armour products – <a href="http://www.tpro.co.uk">www.tpro.co.uk</a> and Beatrice Road, Kettering, Northants NN16 9QS Telephone 01536 513456 Fax 01536 310080 For information about Equimat – <a href="http://www.equimat.co.uk">www.equimat.co.uk</a>
<b>Registrars and share transfer office</b>	Capita Registrars The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4BR
<b>Share price information</b>	Information about the day-to-day movement of the company's share price on the London Stock Exchange can be found: on SEAQ page no. 29095 on Reuters code DINK.L from the FT Cityline, telephone 0906 003 2353
<b>Auditors</b>	PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors 31 Great George Street, Bristol BS1 5QD
<b>Bankers</b>	HSBC Bank plc 79 Regent Street, Kingswood, Bristol BS15 8LH
<b>Solicitors</b>	Burges Salmon Narrow Quay House, Prince Street, Bristol BS1 4AH  Field Fisher Waterhouse 35 Vine Street, London EC3N 2AA
<b>Nominated advisor and nominated broker</b>	City Financial Associates Limited Pountney Hill House, 6 Laurence Pountney Hill, London EC4R 0BL