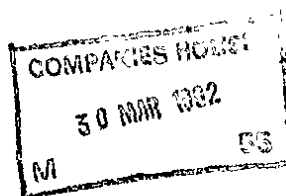


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B.E. INTERNATIONAL FOODS LIMITED  
GROUP OF COMPANIES

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 25TH MAY, 1991



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LUBBOCK FINE  
Chartered Accountants  
Russell Bedford House  
City Forum  
250 City Road  
London EC1V 2QQ

B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES

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**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**DIRECTORS AND ADVISERS**

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**DIRECTORS**

Raymond Chattwell (Chairman)  
Antony Chattwell  
Barrie Grainge  
Yash Mayor  
Roy Proctor  
Rod Garland  
John Brennan  
Lesley Campbell  
Roger Maskew

**SECRETARY**

Rod Garland

**REGISTERED OFFICE**

Grafton House  
Stockingswater Lane  
Enfield  
Middlesex EN3 7JZ

**REGISTERED NUMBER**

602013 (England and Wales)

**AUDITORS**

Lubbock Fine  
Chartered Accountants  
Russell Bedford House  
City Forum  
250 City Road  
London EC1V 2QQ

**BANKERS**

Midland Bank plc  
Bank of China  
Bangkok Bank Limited  
Barclays Bank plc

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**DIRECTORS' REPORT**

---

**Financial statements**

The directors present their report and financial statements for the year ended 25th May, 1991.

**Principal activity**

The principal activity of the company and its subsidiaries ('the group') is that of food importation, processing and distribution.

**Results**

The profit of the group after tax was £82,000 (1990 - loss £123,000) details of which are given in the attached financial statements.

**Dividends and reserves**

The directors do not recommend payment of a dividend for the year ended 25th May, 1991.

If this recommendation is approved retained profits of £82,000 will be added to reserves.

**Review of the year**

During the year the group undertook a fundamental reappraisal of its business activities and areas of operation.

As a result the loss making activities of various subsidiaries have ceased.

Turnover on continuing business increased during the year from £28,953,000 to £34,981,000, and the apparent reduction in group turnover is comprised solely from the discontinued unprofitable business.

Following the review of the group's operation in the Netherlands a new subsidiary was formed, B.E. International Foods B.V., under new management, in order to maximise the group's potential in Europe. This new subsidiary has traded profitably during its first year and has continued to make substantial progress.

The group reduced borrowings during the year.

All companies within the group are currently trading successfully at significantly higher profit levels, and this combined with anticipated reductions in interest charges enable the board to expect substantially improved results for the year ended 31st May, 1992.

**Consolidated accounts**

Following the requirements of section 21 of the Companies Act 1989 the group is now required to consolidate the results of Premier Foods Holdings Limited which incorporates Premier Pet Foods Limited, Premier Foods Limited and J. Van Smirren Limited and the comparative figures have been adjusted accordingly.

**Fixed assets**

Changes in fixed assets are shown in the notes to the financial statements.

The directors are of the opinion that the market value of land and buildings is in excess of that at which interests therein are included in the financial statements; but as no material benefit would accrue to the company from a revaluation, the cost of such an exercise is not considered to be justified. These assets were last revalued in 1988.

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**DIRECTORS' REPORT (continued)**

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**Directors**

The members of the board during the year, together with details of their interests, as defined in the Companies Act 1985, in the shares of the company were:

	25th May, 1991	26th May, 1990
Raymond Chattwell	320,000	320,000
Antony Chattwell	320,000	320,000
Barrie Grainge	120,000	120,000
Yash Mayor	-	-
Roy Proctor	-	-
Rod Garland	-	-
John Brennan	-	-
Lesley Campbell	-	-
Roger Maskeu	-	-

**Trusts**

100,000 shares of the company are held in trusts for the children of one of the directors. A partner of Lubbock Fine is one of the trustees of these settlements.

**Group companies**

The following directors have interests in the ordinary share capital of Premier Foods Holdings Limited, a company with an issued share capital of 10,000 ordinary shares of fl each.

	25th May, 1991	26th May, 1990
Raymond Chattwell	3,050	2,050
Antony Chattwell	3,050	2,050
Barrie Grainge	500	500
Rod Garland	500	500

**Auditors**

In accordance with the provision of section 385 of the Companies Act 1985, Lubbock Fine will be proposed for re-election as auditors to the company.

Signed on behalf of the board on 30th January, 1992

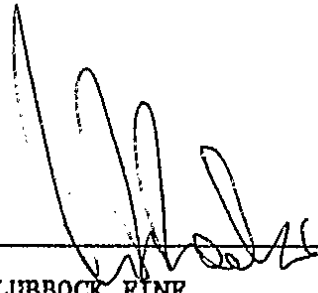
  
ROD GARLAND  
Director

REPORT OF THE AUDITORS TO THE MEMBERS OF  
B.E. INTERNATIONAL FOODS LIMITED

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We have audited the financial statements on pages 6 to 22 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 25th May, 1991 and of the results and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
\_\_\_\_\_  
LUBBOCK FINE  
Chartered Accountants and Registered Auditor

30th January, 1992

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 25TH MAY, 1991**

	Notes	1991 £000's	1990 £000's
Turnover	2	38,316	38,874
Cost of sales		(31,491)	(32,353)
Gross profit		6,825	6,521
Selling and distribution costs		(2,650)	(3,002)
Administrative expenses		(2,532)	(2,168)
Other operating income		119	131
		1,762	1,482
Investment income		79	24
Interest payable		(1,452)	(1,311)
Profit on disposal of subsidiary company		16	-
		405	195
Share of profit of related companies		83	30
Profit on ordinary activities before amortisation of goodwill and taxation	3	488	225
Amortisation of goodwill		(131)	(122)
Profit before taxation:			
On continuing operations		640	505
On discontinued operations		(283)	(402)
		357	103
Taxation	4	(211)	(201)
Profit(loss) on ordinary activities after taxation		146	(98)
Profit attributable to minority interests		(64)	(25)
Profit(loss) for the year		82	(123)
Retained profits brought forward		3,644	3,767
Retained profits carried forward		3,726	3,644

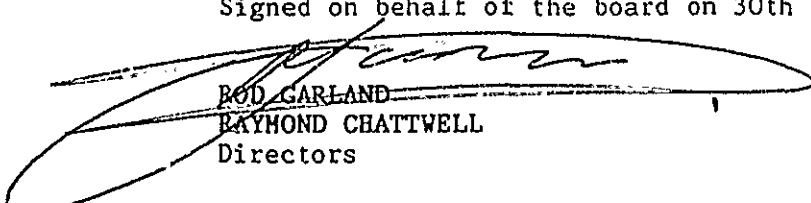
The notes on pages 10 to 22 form part of the financial statements

B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AT 25TH MAY, 1991

	Notes	1991 £000's	1990 £000's
<b>Fixed Assets</b>			
Intangible assets	5	538	409
Tangible assets	6a	6,662	6,608
Investments	7a	50	50
		<u>7,250</u>	<u>7,067</u>
<b>Current Assets</b>			
Stocks	8	4,577	6,782
Debtors	9	8,066	7,629
Cash at bank and in hand		759	1,437
		<u>13,402</u>	<u>15,848</u>
Creditors (amounts due within one year)	10	(14,281)	(16,612)
<b>Net Current Liabilities</b>		<u>(879)</u>	<u>(764)</u>
<b>Total Assets less Current Liabilities</b>		<u>6,371</u>	<u>6,303</u>
Creditors (amounts due after one year)	11	(106)	(216)
Provisions for liabilities and charges	13	(70)	(145)
<b>Net Assets</b>		<u><u>6,195</u></u>	<u><u>5,942</u></u>
<b>Capital and Reserves</b>			
Called up share capital	14	1,000	1,000
Revaluation reserve		1,248	1,248
Profit and loss account	15a	3,669	3,594
		<u>5,917</u>	<u>5,842</u>
Minority interests		278	100
		<u><u>6,195</u></u>	<u><u>5,942</u></u>

Signed on behalf of the board on 30th January, 1992

  
ROD GARLAND  
RAYMOND CHATTWELL  
Directors

The notes on pages 10 to 22 form part of the financial statements



B.E. INTERNATIONAL FOODS LIMITED  
 COMPANY BALANCE SHEET AT 25TH MAY, 1991

	Notes	1991 £000's	1990 £000's
Fixed Assets			
Tangible assets	6b	6,119	6,045
Investments	7b	718	511
		<u>6,837</u>	<u>6,556</u>
Current Assets			
Stocks	8	3,526	4,875
Debtors	9	7,587	6,137
Cash at bank and in hand		287	340
		<u>11,400</u>	<u>11,352</u>
Creditors (amounts due within one year)	10	(11,735)	(10,916)
Net Current Assets(Liabilities)		<u>(335)</u>	<u>436</u>
Total Assets less Current Liabilities		6,502	6,992
Creditors (amounts due after one year)	11	(70)	(196)
Provisions for liabilities and charges	13	(18)	(24)
Net Assets		<u>6,414</u>	<u>6,772</u>
Capital and Reserves			
Called up share capital	14	1,000	1,000
Revaluation reserve		1,248	1,248
Profit and loss account	15b	4,166	4,524
		<u>6,414</u>	<u>6,772</u>

Signed on behalf of the board on 30th January, 1992

  
 ROD GARLAND  
 RAYMOND CHATTWELL  
 Directors

The notes on pages 10 to 22 form part of the financial statements

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE  
YEAR ENDED 25TH MAY, 1991**

	1991 £000's	1990 £000's
<b>Source of Funds</b>		
Profit on ordinary activities before taxation, less minority interest	293	78
Adjustments for items not involving the movement of funds:		
Translation difference	(8)	(50)
Amortisation of goodwill	131	122
Minority interest in the retained profit for the year	64	25
Depreciation	357	352
Loss on disposal of tangible fixed assets	8	13
Profit in related companies	(83)	(30)
Provision in related company no longer required	-	(50)
Grant	(3)	(2)
<b>Total Generated from Operations</b>	<u>759</u>	<u>458</u>
<b>Funds from Other Sources</b>		
Proceeds on disposal of tangible fixed assets	166	113
Minority interest in issued share capital of newly acquired subsidiary	120	68
	<u>1,045</u>	<u>639</u>
<b>Application of Funds</b>		
Purchase of goodwill	260	1,192
Purchase of tangible fixed assets	585	430
Tax paid	364	60
	<u>(1,209)</u>	<u>(1,682)</u>
	<u>(164)</u>	<u>(1,043)</u>
<b>Increase(Decrease) in Working Capital</b>		
Stocks	(2,206)	1,313
Debtors	437	1,079
Creditors	650	(1,585)
	<u>(1,119)</u>	<u>807</u>
<b>Movement in net liquid funds</b>	<u>955</u>	<u>(1,850)</u>
	<u>164</u>	<u>(1,043)</u>

The notes on pages 10 to 22 form part of the financial statements

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS**

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**1. ACCOUNTING POLICIES**

**a) Accounting convention**

The financial statements are prepared under the historical cost convention, modified to include certain fixed assets at valuation and in accordance applicable accounting standards.

**b) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the company and its subsidiary companies made up to 25th May, 1991, together with the group share of the results of its related companies.

Under the Companies Act 1989 the results of Premier Foods (Holdings) Limited and its subsidiary companies have been consolidated as the company is in a position to exercise a dominant influence over these companies. The comparative figures for the group have been adjusted to reflect this change in legislation.

A separate profit and loss account dealing with the results of the company only has not been presented as permitted under section 228(7) of the Companies Act 1985.

**c) Goodwill**

Goodwill represents the excess of the cost of investment in subsidiary companies over the fair value of the net assets acquired. Goodwill is amortised over its estimated useful economic life of five years on a straight line basis.

**d) Discontinued operations**

The profits or losses arising from discontinued operations are disclosed separately as recommended by Financial Reporting Exposure Draft No.1.

**e) Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances are translated into sterling at the exchange rate ruling on the balance sheet date unless covered by forward currency contracts in which case conversion is at the forward rate.

**f) Hire purchase**

Hire purchase payments have been accounted for on the basis that each of the instalments is a fixed amount of capital and interest, the interest being charged against operating profit.

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**g) Leased assets and rental transactions**

i) Assets held under finance leases are treated as tangible fixed assets; depreciation is provided accordingly and the deemed capital element of future rentals is included in creditors. Deemed interest, calculated on a reducing balance basis is charged to operating profit as interest payable over the period of the lease.

ii) Operating lease and rental costs are charged to operating profit as they arise.

**h) Depreciation**

Depreciation has been provided to write off tangible fixed assets over their estimated useful lives at the following rates:

Freehold buildings	- 2% straight line
Leasehold buildings	- 10% straight line
Plant, fixtures and equipment	- 10% to 20% reducing balance
Motor vehicles	- 20% straight line or 25% reducing balance

**i) Stock and work in progress**

Stock and work in progress are valued at the lower of actual cost (including an addition where appropriate for overhead expenses) and net realisable value.

**j) Deferred taxation**

Deferred taxation is provided to the extent that the directors consider there is a reasonable probability that a liability may crystallise in the foreseeable future.

**k) Pension scheme**

Pension scheme contributions are charged to operating profits as they arise.

B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

12.

2. TURNOVER AND PROFITS

a) An analysis of turnover and profits split between continuing and discontinued operations is set out below:

	1991		1990	
	Continuing £'000	Discontinued £'000	Continuing £'000	Discontinued £'000
Turnover	34,981	3,335	28,953	9,921
Cost of sales	(28,445)	(3,046)	(23,622)	(8,731)
Gross profit	6,536	289	5,331	1,190
Selling and distribution costs	(2,547)	(103)	(2,450)	(552)
Administrative expenses	(2,193)	(339)	(1,510)	(658)
Other operating income	119	-	131	-
Investment income	1,915	(153)	1,502	(20)
Interest payable	79	-	24	-
Profit on disposal of subsidiary company	(1,306)	(146)	(929)	(382)
	<u>688</u>	<u>16</u>	<u>597</u>	<u>(402)</u>
Share of profit of related companies	83	-	30	-
	<u>771</u>	<u>(283)</u>	<u>627</u>	<u>(402)</u>
Amortisation of goodwill	(131)	-	(122)	-
	<u>640</u>	<u>(283)</u>	<u>505</u>	<u>(402)</u>
Profit(loss) before taxation	==	==	==	==
	<u>640</u>	<u>(283)</u>	<u>357</u>	<u>103</u>
	==	==	==	==
B.E. International B.V.		(169)		(379)
Premier Foods Limited		(130)		(23)
Profit on disposal of subsidiary		16		-
		-		-
		(283)		(402)
		==		==

The total figures for continuing operations in 1991 include the following amounts relating to new investments: turnover of £4,041,000, cost of sales £3,690,000 and net operating expenses £178,000.

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS**

- b) Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities, after deduction of trade discounts, value added tax and any other taxes based on turnover.

Turnover is analysed by markets as follows:

	1991 £000's	1990 £000's
United Kingdom	32,496	32,797
Northern Europe	4,900	5,437
Far East	920	640
	<u>38,316</u>	<u>38,874</u>

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

- a) Profit is stated after charging or crediting:

	1991 £000's	1990 £000's
Investment income		
Bank interest received	79	19
Other interest	-	5
	<u>      </u>	<u>      </u>
Interest payable		
On bank and other borrowings wholly repayable within five years	1,369	1,220
Finance lease charges and hire purchase	52	73
Other interest	31	18
	<u>      </u>	<u>      </u>
Other items		
Directors' remuneration as executives	652	454
Auditors' remuneration	54	60
Hire of plant and machinery	28	40
Depreciation - owned assets	206	204
Depreciation - leased assets	151	149
Loss on disposal of fixed assets	8	13
	<u>      </u>	<u>      </u>

- b) Directors' remuneration  
Directors' remuneration, excluding pension contributions but including estimated taxable benefits, are as follows:

	1991 £000's	1990 £000's
Highest paid director	230	-
Chairman	135	123
	<u>      </u>	<u>      </u>

Other directors' remuneration is within the following bands:

	Number	Number
£ 10,001 - £ 15,000	-	1
£ 20,001 - £ 25,000	-	1
£ 30,001 - £ 35,000	1	4
£ 35,001 - £ 40,000	2	1
£ 40,001 - £ 45,000	3	-
£ 45,001 - £ 50,000	1	-
£120,001 - £125,000	-	1
	<u>      </u>	<u>      </u>

**B.B. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**c) Particulars of employees**

The average number of persons employed by the group (including the directors) during the year was:

	1991	1990
Administration	37	39
Selling and distribution	84	85
Production	44	44
	<u>165</u>	<u>168</u>

Their total remuneration was:

	£000's	£000's
Wages and salaries	2,299	2,223
Social security costs	224	218
Other pension costs	9	6
	<u>2,532</u>	<u>2,447</u>

**d) Holding company profit for the year**

Of the consolidated profit, a loss after extraordinary and exceptional items of £358,000 (1990 - profit £440,000) has been dealt with in the financial statements of the parent company.

**4. TAXATION**

	1991 £000's	1990 £000's
U.K. Corporation tax at 34% (1990 - 35%)	134	178
Tax on share of related company profits	17	-
Overseas tax	69	11
Transfer to(from) deferred tax	(6)	13
	<u>214</u>	<u>202</u>
Prior year adjustments	(3)	(1)
	<u>211</u>	<u>201</u>

**5. INTANGIBLE ASSETS**

	£'000's
Goodwill	
Cost at 26th May, 1990	613
Arising on acquisition of B.E. International Foods B.V.	260
	<u>873</u>
Cost at 25th May, 1991	
Amortisation of goodwill	
At 26th May, 1990	204
Provision for the year	131
	<u>335</u>
At 25th May, 1991	
Net Book Value	
At 25th May, 1991	538
	<u>538</u>
Net Book Value	
At 25th May, 1990	409
	<u>409</u>

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. TANGIBLE FIXED ASSETS**

**a) Group**

	Freehold Land and Buildings £000's	Short Leasehold Land and Buildings £000's	Fixtures, Fittings and Equipment £000's	Motor Vehicles £000's	Total £000's
Cost or valuation					
At 26th May, 1990	5,383	29	1,163	1,114	7,689
Additions	167	-	286	132	585
Disposals	-	-	(47)	(203)	(250)
At 25th May, 1991	5,550	29	1,402	1,043	8,024
Depreciation					
At 26th May, 1990	110	25	502	444	1,081
Provision for the year	57	3	132	165	357
Disposals	-	-	(13)	(63)	(76)
At 25th May, 1991	167	28	621	546	1,362
Net Book Value					
At 25th May, 1991	5,383	1	781	497	6,662
Net Book Value					
At 25th May, 1990	5,273	4	661	670	6,608

Included in fixtures and fittings and motor vehicles are assets with a net book value of £500,453 (1990 - £624,926) which are held under hire purchase and finance leases.

The cost or valuation figure for land and buildings include:

	Freehold 1991 £000's	Leasehold 1991 £000's	Freehold 1990 £000's	Leasehold 1990 £000's
Valuation made in 1988	4,500	-	4,500	-
Stated at historical cost	1,050	29	883	29
	5,550	29	5,383	29

If the properties had not been revalued, they would have been included at the following amounts:

	Freehold 1991 £000's	Leasehold 1991 £000's	Freehold 1990 £000's	Leasehold 1990 £000's
Cost	4,318	29	4,151	29
Depreciation	(180)	(28)	(111)	(25)
Net Book Value	4,138	1	4,040	4



**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS**

b) Company	Freehold Land and Buildings £000's	Fixtures Fittings and Equipment £000's	Motor Vehicles £000's	Total £000's
Cost or valuation				
At 26th May, 1990	5,167	641	875	6,683
Additions	159	164	68	391
Disposals	-	-	(68)	(68)
At 25th May, 1991	5,326	805	875	7,006
Depreciation				
At 26th May, 1990	73	210	355	638
Provision for the year	52	94	130	276
Disposals	-	-	(27)	(27)
At 25th May, 1991	125	304	458	887
Net Book Value				
At 25th May, 1991	5,201	501	417	6,119
Net Book Value				
At 25th May, 1990	5,094	431	520	6,045

Included in fixtures and fittings and motor vehicles are assets with a net book value of £401,930 (1990 - £523,406), which are held under hire purchase and finance leases and the depreciation charges for the year in respect of those assets is £146,258.

The cost or valuation figure for land and buildings include:

	1991 £000's	1990 £000's
Valuation made in 1988	4,500	4,500
Stated at historical cost	826	667
	5,326	5,167

If the properties had not been revalued, they would have been included at the following amounts:

	1991 £000's	1990 £000's
Cost	4,095	3,936
Depreciation	(138)	73
Net Book Value	3,957	3,863

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**7. FIXED ASSET INVESTMENTS**

**a) Group**

**Investment in related company**

	<b>1991 £000's</b>	<b>1990 £000's</b>
<b>Cost</b>		
At 25th May, 1990	75	73
Amounts written off at 25th May, 1990	(25)	(73)
Provision no longer required	—	50
	—	—
<b>Net Book Value</b>		
At 25th May, 1991	50	50
	==	==

**b) Company**

	<b>Shares in group companies £000's</b>	<b>Shares in related companies £000's</b>	<b>Total £000's</b>
<b>Cost</b>			
At 26th May, 1990	543	75	618
Transfer	3	(3)	—
Additions	225	—	225
Disposals	(10)	—	(10)
	—	—	—
At 25th May, 1991	761	72	833
	—	—	—
<b>Amounts written off</b>			
At 26th May, 1990	85	22	107
During the year	8	—	8
	—	—	—
At 25th May, 1991	93	22	115
	—	—	—
<b>Net Book Value</b>			
At 25th May, 1991	668	50	718
	==	==	==
<b>Net Book Value</b>			
At 25th May, 1990	458	53	511
	==	==	==

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS**

c) The company owns more than 10% of the issued share capital of the following companies:

Name	Nature of business	Country of registration	Shares held class and percentage
B.E. International BV	Food importers and distributors	Holland	Ordinary 100%
Bombay Emporium Limited	Food distributors	England	Ordinary 100%
Cathay Foods Limited	Food importers and distributors	England	Ordinary 100%
B.E. International Foods BV	Food importers and exporters	Holland	Ordinary 60%
B.E. International HK Limited	Food importers and exporters	Hong Kong	Ordinary 55%
Southern Oil Products (London) Limited	Processors and packers of edible oils and fats	England	Ordinary 50%
Premier Foods (Holdings) Limited	Food importers and distributors	England	Ordinary 29%

The results of B.E. International BV included in the consolidated accounts are based on unaudited financial statements and the deficiency of assets of the company at 25th May, 1991 stood at £768,602.

Cathay Foods Limited is a dormant subsidiary company. Its trade has been incorporated with that of B.E. International Foods Limited. The profits before tax contributed by this trade during the year ended 25th May, 1991 as disclosed in the management accounts amounted to £216,489 (1990 - £218,384).

**8. STOCKS**

	Group		Company	
	1991 £000's	1990 £000's	1991 £000's	1990 £000's
Raw materials and consumables	539	540	432	430
Finished goods and goods for resale	4,038	6,242	3,094	4,445
	<u>4,577</u>	<u>6,782</u>	<u>3,526</u>	<u>4,875</u>

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS**

9. DEBTORS	Group		Company	
	1991 £000's	1990 £000's	1991 £000's	1990 £000's
Trade debtors	5,912	5,802	4,649	4,141
Amounts owed by group company undertakings	-	-	1,030	338
Amounts owed by participating interests	106	184	106	184
Other debtors	1,541	1,304	1,468	1,213
Prepayments and accrued income	507	339	334	261
	<u>8,066</u>	<u>7,629</u>	<u>7,587</u>	<u>6,137</u>

**10. CREDITORS (AMOUNTS DUE WITHIN ONE YEAR)**

	Group		Company	
	1991 £000's	1990 £000's	1991 £000's	1990 £000's
Bank loans and overdrafts (secured)	8,989	10,622	7,594	6,646
Trade creditors	2,514	2,841	1,851	2,190
Bills of exchange payable	965	918	964	435
Amounts owed to group company undertakings	-	-	299	183
Amounts owed to participating interests	196	-	9	-
Amounts due under finance leases	215	258	175	218
Other creditors	115	165	53	8
Corporation tax	259	412	186	385
Social security and other taxes	296	205	134	130
Accruals and deferred income	732	1,191	470	721
	<u>14,281</u>	<u>16,612</u>	<u>11,735</u>	<u>10,916</u>

Certain items included in trade creditors are secured in favour of suppliers by reservation of title arrangements.

The bank loans and overdrafts are secured by a legal charge on the freehold properties together with a debenture over the company's assets.

**11. CREDITORS (AMOUNTS DUE AFTER ONE YEAR)**

	Group		Company	
	1991 £000's	1990 £000's	1991 £000's	1990 £000's
Amounts due under finance leases	<u>106</u>	<u>216</u>	<u>70</u>	<u>196</u>

**B.E. INTERNATIONAL FOODS LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS**

**12. LEASE PAYMENTS**

	Group		Company	
	1991 £000's	1990 £000's	1991 £000's	1990 £000's
Amounts due under finance leases are as follows:				
Within one year	215	258	175	218
Between two and five years	106	216	70	196
	<u>321</u>	<u>474</u>	<u>245</u>	<u>414</u>

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred taxation £000's	Grants £000's	Share of losses of related company £000's	Total £000's
a) Group				
At 26th May, 1990	26	34	85	145
Transfer from profit and loss account	(6)	(3)	-	(9)
Share of profits in Southern Oil Products (London) Limited	-	-	(66)	(66)
At 25th May, 1991	<u>20</u>	<u>31</u>	<u>19</u>	<u>70</u>
b) Company				
At 26th May, 1990	24	-	-	24
Transfer from profit and loss account	(6)	-	-	(6)
At 25th May, 1991	<u>18</u>	<u>-</u>	<u>-</u>	<u>18</u>

**Deferred taxation**

The balance at 25th May, 1991 is  
made up as follows:

	Provided		Potential	
	1991 £000's	1990 £000's	1991 £000's	1990 £000's
a) Group				
Accelerated capital allowances	64	26	64	26
Property revaluations and disposals	-	-	170	250
Tax losses	(44)	-	(44)	-
	<u>20</u>	<u>26</u>	<u>190</u>	<u>276</u>
b) Company				
Accelerated capital allowances	18	24	18	24
Property revaluations and disposals	-	-	170	250
	<u>18</u>	<u>24</u>	<u>188</u>	<u>274</u>

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**14. CALLED UP SHARE CAPITAL**

	Company	
	1991 £000's	1990 £000's
Allotted and fully paid 1,000,000 Ordinary shares of £1 each	1,000	1,000
Authorised 1,000,000 Ordinary shares of £1 each	1,000	1,000

**15. RESERVES**

	Revaluation Reserve £000's	Profit and Loss Account £000's	Total £000's
a) Group			
Balance as previously stated at 25th May, 1990	1,248	3,844	5,092
Prior year adjustment	-	(200)	(200)
Balance as restated	1,248	3,644	4,892
Profit for the year	-	82	82
Currency translation adjustment on consolidation	-	(57)	(57)
Balance at 25th May, 1991	1,248	3,699	4,917

The prior year adjustment arises from the consolidation of Premier Foods (Holdings) Limited as required under section 21 of the Companies Act 1989

b) Company			
Balance at 26th May, 1990	1,248	4,524	5,772
Loss for the year	-	(358)	(358)
Balance at 25th May, 1991	1,248	4,166	5,414

**16. MINORITY INTEREST**

The minority interests arise from minority shareholdings in Premier Foods (Holdings) Limited, B.E. International (H.K.) Limited and B.E. International Foods BV.

**17. CAPITAL COMMITMENTS**

At 25th May, 1991 capital expenditure contracted for amounted to £121,000 (1990 - Nil).

**B.E. INTERNATIONAL FOODS LIMITED  
AND ITS SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS**

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**18. COMMITMENTS ON BEHALF OF GROUP COMPANY UNDERTAKINGS**

On 2nd January, 1989 the company agreed to guarantee all monies from time to time owing to the bankers of S.O.P. Edibles Limited, which is a wholly owned subsidiary of Southern Oil Products (London) Limited, up to a limit of £350,000. The company is also guarantor in respect of a lease purchase agreement taken out by S.O.P. Edibles Limited. The balance outstanding on the agreement at 25th May, 1991 was £15,551.

On 6th February, 1990 the company entered into an unlimited multilateral guarantee in respect of all monies from time to time arising to the bankers of Premier Foods (Holdings) Limited, Premier Foods Limited, Premier Pet Foods Limited and J. Van Smirren Limited.

**19. PENSION ARRANGEMENTS**

**Defined contribution schemes**

The company maintains pension schemes for directors and certain staff. The schemes, which operate on a defined contribution money purchase basis, provides for the payment of the full contribution by the company. The assets of the schemes are held separately from those of the company in an independently administered funds.

**20. TRANSACTIONS WITH RELATED COMPANIES**

During the year the company made trade purchases from S.O.P. Edibles Limited amounting to £185,231.