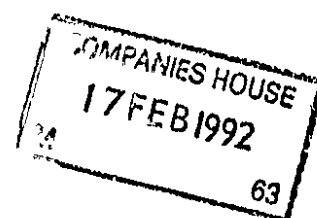


THE ULTIMATE SNACK FOOD COMPANY LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 1991



# **THE ULTIMATE SNACK FOOD COMPANY LIMITED**

## **REPORT OF THE DIRECTORS**

The directors present their report and financial statements for the 11 months ended 31 March 1991.

### **REGISTERED NUMBER**

1977220

### **REVIEW OF THE BUSINESS**

The company's principal activity during the year was that of snack food distribution.

Both the substantial shareholders have indicated their willingness to continue to support the company both financially and otherwise.

### **RESULTS FOR THE YEAR**

The trading loss for the 11 months ended 31 March 1991, before taxation, amounted to £70,529 (£105,005 for the 12 months ended 30 April 1990).

The directors do not recommend the payment of a dividend.

### **DIRECTORS AND THEIR INTERESTS**

The following directors served during the period. None of the directors held any shares in the company.

TH Faulkner  
ON Leatham (Resigned 14/5/90)  
M Leatham (Resigned 28/9/90)  
JV Drawbridge (Appointed 14/5/90)

RAN McKechnie  
SB Paul  
D Nicolson  
SR Blake (Appointed 28/9/90)

### **SHARE CAPITAL**

There were no changes in the authorised or allotted share capital of the company during the period.

### **SUBSTANTIAL SHAREHOLDINGS**

Leathams Larder Plc and Derwent Valley (Sales) Limited each own 50% of the issued ordinary share capital of the company.

## THE ULTIMATE SNACK FOOD COMPANY LIMITED

### TANGIBLE FIXED ASSETS

The movements in tangible fixed assets during the period are given in note 6 to the financial statements.

### AUDITORS

During the year Chapman Davis & Co resigned as auditors and the directors appointed Price Waterhouse. A resolution to re-appoint Price Waterhouse as auditors will be proposed at the Annual General Meeting.

By Order of the Board



TH FAULKNER  
Secretary

2 July 1991

*Price Waterhouse*



**REPORT OF THE AUDITORS TO THE MEMBERS OF  
THE ULTIMATE SNACK FOOD COMPANY LIMITED**

We have audited the financial statements on pages 4 to 14 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 at 31 March 1991 and of its loss and source and application of funds for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Chartered Accountants

2 July 1991

# THE ULTIMATE SNACK FOOD COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE 11 MONTHS ENDED 31 MARCH 1991


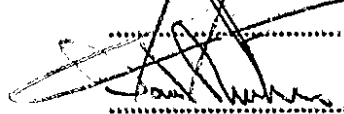
			12 months ended
	<u>Notes</u>	<u>1991</u>	<u>30 April 1990</u>
<b>TURNOVER</b>	1	4,417,326	3,699,938
Cost of sales		(3,354,907)	(2,796,234)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		1,062,419	903,704
Administrative expenses		(1,049,189)	(948,757)
		<hr/>	<hr/>
<b>OPERATING PROFIT/(LOSS)</b>		13,230	(45,053)
Interest payable and similar charges	3	(83,759)	(59,952)
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	(70,529)	(105,005)
Taxation	5	17,384	12,705
		<hr/>	<hr/>
<b>AMOUNT WITHDRAWN FROM RESERVES</b>	14	£(53,145)	£(92,300)
		<hr/>	<hr/>

# THE ULTIMATE SNACK FOOD COMPANY LIMITED

## BALANCE SHEET AS AT 31 MARCH 1991

	<u>Notes</u>	31 March <u>1991</u>	30 April <u>1990</u>
<b>FIXED ASSETS</b>			
Tangible assets	6	318,131	363,814
Goodwill	7	24,000	27,000
		<hr/> 342,131	<hr/> 390,814
<b>CURRENT ASSETS</b>			
Stocks	8	450,661	133,847
Debtors	9	437,622	453,328
Cash at bank and in hand		286	156
		<hr/> 888,569	<hr/> 587,331
<b>CREDITORS: (Amounts falling due within one year)</b>	10	(991,307)	(661,200)
		<hr/> (102,738)	<hr/> (73,869)
<b>NET CURRENT LIABILITIES</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> 239,393	<hr/> 316,945
<b>CREDITORS: (Amounts falling due after more than one year)</b>	11	(317,608)	(342,015)
		<hr/> £(78,215)	<hr/> £(25,070)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	5,168	5,168
Reserves	14	(83,383)	(30,238)
		<hr/> £(78,215)	<hr/> £(25,070)

Approved by the Board of Directors on 2 July 1991 and signed on their behalf

 TH Faulkner  
 D Nicolson

# THE ULTIMATE SNACK FOOD COMPANY LIMITED

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE 11 MONTHS ENDED 31 MARCH 1991

	11 months ended 31 March 1991	12 months ended 30 April 1990
<b>SOURCES OF FUNDS</b>		
Loss on ordinary activities before taxation	(70,529)	(100,005)
Adjustments for items not involving the movement of funds:		
Depreciation and amortisation	36,586	31,016
Profit on sale of fixed assets	—	(598)
	36,586	30,418
<b>TOTAL ABSORBED BY OPERATIONS</b>	<b>(33,943)</b>	<b>(74,587)</b>
<b>FUNDS FROM OTHER SOURCES</b>		
Loans obtained	74	330,000
Proceeds of fixed asset disposals	13,712	2,250
	13,786	332,250
	(20,157)	257,663
<b>APPLICATION OF FUNDS</b>		
Taxation paid	—	9,725
Purchase of goodwill	—	30,000
Purchase of fixed assets	1,615	344,983
Loan repayments net of interest	—	2,445
	(1,615)	(387,153)
	(21,772)	(129,490)
<b>MOVEMENT IN WORKING CAPITAL</b>		
(increase) in stock	(316,814)	(69,775)
Decrease/(Increase) in debtors	15,706	(153,270)
Increase in creditors	212,856	112,163
	(88,252)	(110,882)
(Decrease) in net liquid funds	£(110,024)	£(240,372)

# THE ULTIMATE SNACK FOOD COMPANY LIMITED

## NOTES TO THE ACCOUNTS - 31 MARCH 1991

### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historic cost convention and in accordance with applicable accounting standards.

#### Depreciation

Depreciation is provided on tangible fixed assets and is calculated to write off the cost of the assets over their estimated useful lives on the straight line basis at the following annual rates:-

Motor Vehicles	-	25%
Computer Equipment	-	25%
Plant and Equipment	-	20%
Leasehold Buildings	-	over the lease period
Freehold Land	-	nil
Freehold Buildings	-	2.5%

#### Stocks

Stocks are valued at the lower of cost and net realisable value.

#### Deferred Taxation

Deferred taxation is provided on the liability method on all timing differences, after allowances for losses available to be carried forward for future relief, where there is a reasonable probability that the tax deferral will become payable in the foreseeable future.

#### Turnover

Turnover represents the invoiced amount of goods sold, net of credits, exclusive of value added tax.

#### Goodwill

Goodwill arising on the purchase of a trade or business is capitalised and written off over 10 years on a straight line basis or until the business acquired ceases to generate revenue, if earlier than 10 years.



# THE ULTIMATE SNACK FOOD COMPANY LIMITED

## NOTES TO THE ACCOUNTS - 31 MARCH 1991 (continued)

### 2. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

	11 months ended 31 March 1991	12 months ended 30 April 1990
Directors' emoluments		
Fees	-	-
Other emoluments	26,608	-
	<hr/>	<hr/>
	£26,608	£-
	<hr/>	<hr/>
Chairman	-	-
Highest paid director	£26,608	-
	<hr/>	<hr/>

The number of other directors whose emoluments, excluding pension contributions, fell into the following categories were:

£Nil - £5,000	6	5
	<hr/>	<hr/>
Staff costs:		
Wages and salaries	482,851	469,318
Social security costs	49,695	46,364
	<hr/>	<hr/>
	£532,546	£515,682
	<hr/>	<hr/>

The average number of persons employed by the company, including executive directors, during the period was 43 (1990 : 35).

### 3. INTEREST PAYABLE AND SIMILAR CHARGES

	11 months ended 31 March 1991	12 months ended 30 April 1990
Interest on bank loans and overdrafts repayable within five years	34,728	21,414
Finance purchase interest	4,355	4,839
Loan interest	44,676	33,699
	<hr/>	<hr/>
	£83,759	£59,952
	<hr/>	<hr/>

# THE ULTIMATE SNACK FOOD COMPANY LIMITED

## NOTES TO THE ACCOUNTS - 31 MARCH 1991 (continued)

### 4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	11 months ended 31 March <u>1991</u>	12 months ended 30 April <u>1990</u>
Loss on ordinary activities before taxation is stated after charging:-	£	£
Auditors' remuneration	6,000	3,400
Depreciation	33,586	28,016
Profit on disposal of fixed assets	-	(598)
Hire of equipment	11,458	6,603
Amortisation of intangible fixed assets	3,000	3,000
	<hr/>	<hr/>

### 5. TAXATION

	11 months ended 31 March <u>1991</u>	12 months ended 30 April <u>1990</u>
United Kingdom corporation tax at 34% (1990 :35%)	-	(10,705)
Transfer from deferred tax	-	(2,000)
Payments receivable for losses surrendered to substantial shareholders		
- prior year	(12,247)	-
- current year	(5,137)	-
	<hr/>	<hr/>
	£(17,384)	£(12,705)
	<hr/>	<hr/>

# THE ULTIMATE SNACK FOOD COMPANY LIMITED

## NOTES TO THE ACCOUNTS - 31 MARCH 1991 (continued)

### 6. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Short Leasehold Buildings	Computer Equipment	Plant & Equipment	Motor Vehicles	Total
<b>COST</b>						
At 1 May 1990	244,274	20,375	36,575	21,078	72,047	394,349
Additions	-	-	920	695	-	1,615
Disposals	-	-	-	-	(21,535)	(21,535)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1991	244,274	20,375	37,495	21,773	50,512	374,429
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>ACCUMULATED DEPRECIATION</b>						
At 1 May 1990	1,866	2,442	8,198	2,850	15,179	30,535
Charge for period	3,306	1,061	8,445	3,922	16,852	33,586
Disposals	-	-	-	-	(7,823)	(7,823)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1991	5,172	3,503	16,643	6,772	24,208	56,298
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK AMOUNT</b>						
At 31 March 1991	£239,102	£16,872	£20,852	£15,001	£26,304	£318,131
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 May 1990	£242,408	£17,933	£28,377	£18,228	£56,868	£363,814
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 7. GOODWILL

<b>COST</b>	1991	1990
At 1 May 1990	30,000	-
Additions during period	<hr/>	<u>30,000</u>
At 31 March 1991	<u>30,000</u>	<u>30,000</u>
<b>AMORTISATION</b>		
At 1 May 1990	3,000	-
Charge for period	<u>3,000</u>	<u>3,000</u>
At 31 March 1991	<u>6,000</u>	<u>3,000</u>
<b>NET BOOK AMOUNT</b>		
At end of period	<u>£24,000</u>	<u>£27,000</u>

# THE ULTIMATE SNACK FOOD COMPANY LIMITED

## NOTES TO THE ACCOUNTS - 31 MARCH 1991 (continued)

### 8. STOCKS

This represents the stock of bought-in goods for re-sale and is shown at the lower of cost and net realisable value.

### 9. DEBTORS

	31 March 1991	30 April 1990
Trade debtors	350,774	356,393
Amounts owed by substantial shareholders and their group undertakings	-	15,000
Prepayments	75,203	71,510
Corporation tax recoverable	9,725	9,725
Other debtors	1,920	700
	<hr/>	<hr/>
	£437,622	£453,328
	<hr/>	<hr/>

### 10. CREDITORS (Amounts falling due within one year)

	31 March 1991	30 April 1990
Bank overdraft	386,653	276,499
Current portion of bank loan	12,000	12,000
Current obligations under HP contracts (note 12)	17,742	27,200
Trade creditors	207,743	288,755
Other taxation and social security	14,690	17,950
WNT	1,045	2,884
Accruals	35,092	24,435
Amounts owed to substantial shareholders and their group undertakings	316,342	11,477
	<hr/>	<hr/>
	£991,307	£661,200
	<hr/>	<hr/>

# THE ULTIMATE SNACK FOOD COMPANY LIMITED

## NOTES TO THE ACCOUNTS - 31 MARCH 1991 (continued)

### 11. CREDITORS (Amounts falling due after more than one year)

	31 March <u>1991</u>	30 April <u>1990</u>
Bank loan	165,629	165,555
Loans from substantial shareholders	150,000	150,000
Obligations under hire purchase contracts (note 12)	1,979	26,460
	<hr/>	<hr/>
	£317,608	£342,015
	<hr/>	<hr/>

The long-term bank loan bears interest at 1% above National Westminster Bank Plc's base rate and is repayable in monthly instalments of £2,550. The estimated amount repayable within 5 years is £60,000 and the estimated amount repayable after 5 years is £117,629. The current portion of the loan amounting to £12,000 is shown in current liabilities. The loan is secured on the company's freehold land and buildings.

The two loans of £75,000 from each of Leathams Larder Plc and Derwent Valley (Sales) Limited bear interest at commercial rates, are unsecured and are both subordinated below any company debt owed to its bankers. Repayment of the loans, or any part thereof, is not envisaged within the next 12 months.

### 12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31 March <u>1991</u>	30 April <u>1990</u>
Total hire purchase contracts outstanding	19,721	53,660
<u>Less</u> Current obligations	(17,742)	(27,200)
	<hr/>	<hr/>
	£1,979	£26,460
	<hr/>	<hr/>

# THE ULTIMATE SNACK FOOD COMPANY LIMITED

## NOTES TO THE ACCOUNTS - 31 MARCH 1991 (continued)

### 13. CALLED UP SHARE CAPITAL

	31 March <u>1991</u>	30 April <u>1990</u>
Authorised		
13,850 Ordinary Shares of 10p each	1,385	1,385
23,250 "A" Ordinary Shares of 10p each	2,325	2,325
23,250 "B" Ordinary Shares of 10p each	2,325	2,325
	<hr/>	<hr/>
	£6,035	£6,035
	<hr/>	<hr/>
Allotted and Fully Paid		
5,180 Ordinary shares of 10p	518	518
23,250 "A" Ordinary Shares of 10p each	2,325	2,325
23,250 "B" Ordinary Shares of 10p each	2,325	2,325
	<hr/>	<hr/>
	£5,168	£5,168
	<hr/>	<hr/>

### 14. RESERVES

	31 March <u>1991</u>	30 April <u>1990</u>
Profit and Loss Account		
Balance at 1 May 1990	(30,238)	62,062
Deficit for period	(53,145)	(92,300)
	<hr/>	<hr/>
Balance at 31 March 1991	£(83,383)	£(30,238)
	<hr/>	<hr/>

### 15. CONTINGENT LIABILITIES

At 31 March 1991 there were no contingent liabilities or guarantees other than those arising in the ordinary course of business and on these no material losses are anticipated (1990:£nil).

**THE ULTIMATE SNACK FOOD COMPANY LIMITED**

**NOTES TO THE ACCOUNTS - 31 MARCH 1991 (continued)**

**16. CAPITAL COMMITMENTS**

There are no material commitments for capital expenditure not provided for in the accounts at 31 March 1991 (1990:£nil)

**17. CONTINUING FINANCIAL SUPPORT**

Both substantial shareholders have confirmed that they will continue to support the operations of the company for the foreseeable future.