

P&H Direct Limited

Directors' report and financial
statements

3 April 2004

Registered number 2068930



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Directors' report

The directors present their report and the audited financial statements for the 52 week period ended 3 April 2004. The prior year period was for the 52 week period ended 5 April 2003.

Principal activities

The principal activity of the company is that of a holding company.

The directors intend that the company should continue with this principal activity for the foreseeable future.

Business review

The company did not trade during the period nor did it incur any expenditure and, accordingly, it made neither a profit nor a loss.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors in office during the period were as follows:

C B Adams
G S McPherson
C W Little
D E Marsden (non-executive)
J Newsome (appointed 26 August 2003)

The directors retiring by rotation are C B Adams and J Newsome who, being eligible, offer themselves for re-election.

Three directors, namely C B Adams, G S McPherson and C W Little, were also directors of the ultimate parent undertaking, Palmer & Harvey (Holdings) Plc, and their beneficial interests in shares are disclosed in that parent undertaking's financial statements.

D E Marsden and J Newsome had a beneficial interest in 675,000 and 7,500 'B' Ordinary shares (*5 April 2003 or date of appointment if later: 600,000 and Nil 'B' Ordinary shares respectively*) in the ultimate parent undertaking Palmer & Harvey (Holdings) Plc. During the period under review, Palmer & Harvey (Holdings) Plc, the ultimate holding company, issued bonus shares on a 1:2 basis. Further details of the bonus issue are disclosed in the financial statements of Palmer and Harvey (Holdings) Plc.

Auditors

A resolution proposing the appointment of KPMG LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the board



P J Tomlinson
Secretary

P&H House
Davigdor Road
Hove
East Sussex
BN3 1RE

29 July 2004

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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Brighton Road
Crawley
West Sussex
RH11 9PT

Independent auditors' report to the members of P&H Direct Limited

We have audited the financial statements on pages 4 to 6.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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 with the company is not disclosed.

Basis of 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 misstatement, 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 as at 3 April 2004 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

29 July 2004

Balance sheet
at 3 April 2004

	<i>Note</i>	3 April 2004 £	5 April 2003 £
Fixed assets			
Investments	2	2	2
Current assets			
Amounts owed by parent undertaking		<u>98</u>	<u>98</u>
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	4	<u>100</u>	<u>100</u>
Profit and loss account		<u>—</u>	<u>—</u>
Shareholders' funds	5	<u>100</u>	<u>100</u>

The notes on pages 5 to 6 form part of these financial statements.

Profit and loss account

During the financial period the company did not trade and received no income and incurred no expenditure. Consequently, during the period the company made neither a profit nor a loss. The company has no other recognised gains or losses in the period.

These financial statements were approved by the board of directors on 29 July 2004 and were signed on its behalf by:



C B Adams
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Cash flow statement

Under Financial Reporting Standard 1 (Revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of Palmer & Harvey (Holdings) Plc and its cash flows are included within the consolidated cash flow statement of that company.

Group financial statements

Group financial statements are not presented by virtue of Section 228 of the Companies Act 1985, as the company is itself a wholly owned subsidiary undertaking of a parent undertaking which is established under the law of a member state of the European Community. These financial statements present information about the undertaking as an individual undertaking.

Investments

Investments are stated at cost less amounts written off.

2 Fixed asset investment

	Shares in group undertakings
	£
<i>Cost and net book value</i>	
At start and end of period	2
	==

The fixed asset investment represents the cost of acquisition of 100% of the ordinary shares of P&H Snacksdirect Limited. P&H Snacksdirect Limited is registered in England and Wales and its principal activity is the distribution and delivered sale of snack products.

3 Directors' remuneration

No director received any emoluments from the company during the period (2003: £nil).

Notes

(forming part of the financial statements)

4 Called up share capital

	2004	2003
	£	£
<i>Authorised</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

5 Reconciliation of movement in shareholders' funds

	2004	2003
	£	£
Opening and closing shareholders' funds	<u>100</u>	<u>100</u>

6 Related party disclosures

The company is controlled by its ultimate parent company, Palmer & Harvey (Holdings) Plc, which is also the ultimate controlling party. There are no disclosable related party transactions.

7 Ultimate parent undertaking and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Palmer & Harvey (Holdings) Plc, a company registered in England and Wales.

Copies of consolidated financial statements of the ultimate parent company are available to the public and may be obtained from Companies House. No other group financial statements include the results of the company.