

**The Norwich Food Company Limited**  
**Abbreviated accounts**  
**For the year ended**  
**31 May 2003**



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# **The Norwich Food Company Limited**

## **Abbreviated accounts**

**Year ended 31 May 2003**

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<b>Contents</b>	<b>Page</b>
Company information	1
The directors' report	2
Independent auditors' report to the company	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Cash flow statement	7
Notes to the abbreviated accounts	8

# **The Norwich Food Company Limited**

## **Company information**

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### **The board of directors**

J F Allton Jones  
J M Reid  
B Skipper CBE

### **Company secretary**

J S Tate

### **Registered office**

Clarence House  
Clarence Road  
Norwich  
Norfolk  
NR1 1HG

### **Auditors**

Lovewell Blake  
Chartered Accountants  
& Registered Auditors  
Sixty Six  
North Quay  
Great Yarmouth  
Norfolk  
NR30 1HE

# The Norwich Food Company Limited

## The directors' report

Year ended 31 May 2003

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 May 2003.

### Principal activities and business review

The principal activity of the company continued to be that of import, export and distribution of fresh and frozen food products.

The directors are satisfied with the results for the year and the year end position.

### Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003 £	2002 £
Dividends paid on ordinary shares	<u>114,989</u>	<u>-</u>

### The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 May 2003	At 1 June 2002
J F Allton Jones	3,333	3,333
J M Reid	3,333	3,333
B Skipper CBE	<u>-</u>	<u>-</u>

### 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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Close company provisions

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

# The Norwich Food Company Limited

## The directors' report *(continued)*

Year ended 31 May 2003

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### Auditors

A resolution to re-appoint Lovewell Blake as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
Clarence House  
Clarence Road  
Norwich  
Norfolk  
NR1 1HG

Signed by order of the directors



J S Tate  
Company Secretary

Approved by the directors on 21 November 2003

# **The Norwich Food Company Limited**

## **Independent auditors' report to the company**

### **PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts on pages 5 to 15, together with the financial statements of the company for the year ended 31 May 2003 prepared under Section 226 of the Companies Act 1985.

#### **Respective responsibilities of the directors and the auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

#### **Basis of opinion**

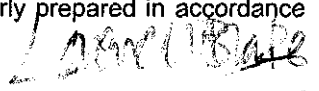
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 15 are properly prepared in accordance with those provisions.

Sixty Six  
North Quay  
Great Yarmouth  
Norfolk  
NR30 1HE

25 November 2003

  
LOVEWELL BLAKE  
Chartered Accountants  
& Registered Auditors

# The Norwich Food Company Limited

## Abbreviated profit and loss account

Year ended 31 May 2003

	Note	2003 £	2002 £
<b>Gross profit</b>		1,135,763	790,221
Administrative expenses		(858,519)	(767,734)
<b>Operating profit</b>	<b>2</b>	<u>277,244</u>	<u>22,487</u>
Interest receivable		905	2,508
Interest payable and similar charges	<b>5</b>	(42,890)	(48,126)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>235,259</u>	<u>(23,131)</u>
Tax on profit/(loss) on ordinary activities	<b>6</b>	(48,703)	(1,483)
<b>Profit/(loss) on ordinary activities after taxation</b>		<u>186,556</u>	<u>(24,614)</u>
Dividends	<b>7</b>	(114,989)	—
<b>Retained profit/(loss) for the financial year</b>		<u>71,567</u>	<u>(24,614)</u>
Balance brought forward		343,701	368,315
Balance carried forward		<u>415,268</u>	<u>343,701</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 15 form part of these abbreviated accounts.

# The Norwich Food Company Limited

## Abbreviated balance sheet

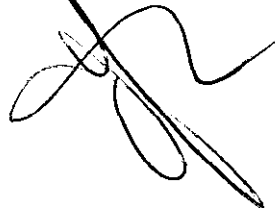
31 May 2003

	Note	2003 £	£	2002 £	£
<b>Fixed assets</b>					
Tangible assets	8		86,323		93,792
<b>Current assets</b>					
Stocks	9	327,099		206,358	
Debtors	10	2,787,733		1,481,062	
Cash at bank and in hand		59,636		101,233	
		<u>3,174,468</u>		<u>1,788,653</u>	
<b>Creditors: Amounts falling due within one year</b>	11	<u>(2,831,892)</u>		<u>(1,508,667)</u>	
<b>Net current assets</b>			<u>342,576</u>		<u>279,986</u>
<b>Total assets less current liabilities</b>			<u>428,899</u>		<u>373,778</u>
<b>Creditors: Amounts falling due after more than one year</b>	12		<u>—</u>		<u>(13,899)</u>
			<u>428,899</u>		<u>359,879</u>
<b>Provisions for liabilities and charges</b>					
Deferred taxation	14		<u>(3,632)</u>		<u>(6,179)</u>
			<u>425,267</u>		<u>353,700</u>
<b>Capital and reserves</b>					
Called-up equity share capital	17		6,666		6,666
Capital redemption reserve	18		3,333		3,333
Profit and loss account			415,268		343,701
<b>Shareholders' funds</b>	19		<u>425,267</u>		<u>353,700</u>

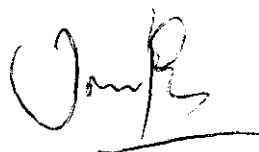
These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 21 November 2003 and are signed on their behalf by:

J F Allton Jones



J M Reid



The notes on pages 8 to 15 form part of these abbreviated accounts.



# The Norwich Food Company Limited

## Cash flow statement

Year ended 31 May 2003

	Note	2003 £	£	2002 £	£
<b>Net cash inflow from operating activities</b>	<b>20</b>		511,242		334,672
<b>Returns on investments and servicing of finance</b>					
Interest received		905		2,508	
Interest paid		(39,842)		(44,725)	
Interest element of hire purchase		(3,048)		(3,401)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(41,985)		(45,618)
Taxation			1,750		(32,363)
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(24,089)		(23,244)	
Receipts from sale of fixed assets		—		47,000	
<b>Net cash (outflow)/inflow from capital expenditure</b>			(24,089)		23,756
<b>Equity dividends paid</b>			(114,989)		—
<b>Cash inflow before financing</b>			331,929		280,447
<b>Financing</b>					
Capital element of hire purchase		(19,792)		(21,573)	
<b>Net cash outflow from financing</b>			(19,792)		(21,573)
<b>Increase in cash</b>	<b>21</b>		<u>312,137</u>		<u>258,874</u>

The notes on pages 8 to 15 form part of these abbreviated accounts.

# **The Norwich Food Company Limited**

## **Notes to the abbreviated accounts**

**Year ended 31 May 2003**

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### **1. Accounting policies**

#### **Basis of accounting**

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

#### **Turnover**

The turnover shown in the profit and loss account represents the amount of goods and services provided during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 20.0 to 33.3% straight line
Motor Vehicles	- 25% straight line

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company operates defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### **Deferred taxation**

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

# The Norwich Food Company Limited

## Notes to the abbreviated accounts

Year ended 31 May 2003

### 2. Operating profit

Operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation of owned fixed assets	24,814	30,853
Depreciation of assets held under hire purchase agreements	6,744	5,799
Profit on disposal of fixed assets	—	(4,607)
Auditors' remuneration		
- as auditors	4,750	4,500
Net loss/(profit) on foreign currency translation	<u>2,455</u>	<u>(10,056)</u>

### 3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Number of administrative staff	<u>14</u>	<u>13</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	371,643	344,027
Social security costs	39,778	36,475
Other pension costs	66,519	34,309
	<u>477,940</u>	<u>414,811</u>

### 4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Emoluments receivable	104,963	118,754
Value of company pension contributions to money purchase schemes	60,100	30,000
	<u>165,063</u>	<u>148,754</u>

The number of directors who were accruing benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

# The Norwich Food Company Limited

## Notes to the abbreviated accounts

Year ended 31 May 2003

### 5. Interest payable and similar charges

	2003 £	2002 £
Interest payable on bank borrowing	39,252	44,725
Finance charges	3,048	3,401
Other similar charges payable	590	—
	<u>42,890</u>	<u>48,126</u>

### 6. Tax on profit/(loss) on ordinary activities

#### (a) Analysis of charge in the year

	2003 £	2002 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2002 - 20%)	50,000	(3,000)
Over/under provision in prior year	<u>1,250</u>	<u>913</u>
Total current tax	51,250	(2,087)
Deferred tax:		
(Decrease)/increase in deferred tax provision	<u>(2,547)</u>	<u>3,570</u>
Tax on profit/(loss) on ordinary activities	<u>48,703</u>	<u>1,483</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is

	2003 £	2002 £
Profit/(loss) on ordinary activities before taxation	<u>235,259</u>	<u>(23,131)</u>
Profit/(loss) on ordinary activities by rate of tax	44,671	(5,317)
Effects of:		
Expenses not deductible for tax purposes	4,656	5,887
Depreciation for the period in excess of capital allowances	1,652	(3,570)
Adjustments to tax charge in respect of previous periods	1,250	913
Adjustment in respect of pension contributions	<u>(979)</u>	<u>—</u>
Total current tax (note 6(a))	<u>51,250</u>	<u>(2,087)</u>

### 7. Dividends

The following dividends have been paid in respect of the year:

	2003 £	2002 £
Dividend paid on ordinary shares	<u>114,989</u>	<u>—</u>

# The Norwich Food Company Limited

## Notes to the abbreviated accounts

Year ended 31 May 2003

### 8. Tangible fixed assets

	Plant & Machinery £	Motor Vehicles £	Total £
<b>Cost</b>			
At 1 June 2002	132,097	26,999	159,096
Additions	<u>16,589</u>	<u>7,500</u>	<u>24,089</u>
<b>At 31 May 2003</b>	<u>148,686</u>	<u>34,499</u>	<u>183,185</u>
<b>Depreciation</b>			
At 1 June 2002	59,505	5,799	65,304
Charge for the year	<u>24,034</u>	<u>7,524</u>	<u>31,558</u>
<b>At 31 May 2003</b>	<u>83,539</u>	<u>13,323</u>	<u>96,862</u>
<b>Net book value</b>			
<b>At 31 May 2003</b>	<u>65,147</u>	<u>21,176</u>	<u>86,323</u>
At 31 May 2002	<u>72,592</u>	<u>21,200</u>	<u>93,792</u>

#### Hire purchase agreements

Included within the net book value of £86,323 is £14,456 (2002 - £21,200) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £6,744 (2002 - £5,799).

### 9. Stocks

	2003 £	2002 £
Finished goods	<u>327,099</u>	<u>206,358</u>

### 10. Debtors

	2003 £	2002 £
Trade debtors	2,675,575	1,299,224
Corporation tax repayable	—	3,000
Other debtors	84,039	71,259
Directors current accounts	—	82,500
Prepayments and accrued income	<u>28,119</u>	<u>25,079</u>
	<u>2,787,733</u>	<u>1,481,062</u>

# The Norwich Food Company Limited

## Notes to the abbreviated accounts

Year ended 31 May 2003

### 11. Creditors: Amounts falling due within one year

	2003 £	2002 £
Factoring advances	587,024	—
Bank loans and overdrafts	—	353,734
Trade creditors	2,141,078	1,089,286
Corporation tax	50,000	—
Other taxation and social security	13,465	10,225
Hire purchase agreements	14,178	20,071
Other creditors	777	737
Accruals and deferred income	25,370	34,614
	<u>2,831,892</u>	<u>1,508,667</u>

The bank overdraft was secured by a fixed and floating charge over all assets of the company, and by a legal mortgage over the life policies of the directors.

Factoring advances are made in respect of £2,675,575 of trade debtors. These are secured by a fixed and floating charge over all assets of the company.

Obligations under hire purchase agreements are secured on the assets concerned.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2003 £	2002 £
Secured debt < 1 Yr: Bank loans & overdrafts	—	353,734
Secured debt < 1 Yr: Hire purchase agreements	14,178	20,071
Secured debt < 1 Yr: Factoring advances	587,024	—
	<u>601,202</u>	<u>373,805</u>

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

	2003 £	2002 £
Hire purchase agreements	—	<u>13,899</u>

Obligations under hire purchase agreements are secured on the assets concerned.

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2003 £	2002 £
Secured debt > 1 Yr: Hire purchase agreements	—	<u>13,899</u>

# The Norwich Food Company Limited

## Notes to the abbreviated accounts

Year ended 31 May 2003

### 13. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2003 £	2002 £
Amounts payable within 1 year	14,178	20,071
Amounts payable between 1 and 2 years	—	13,899
	<u>14,178</u>	<u>33,970</u>

### 14. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2003 £	2002 £
Provision brought forward	6,179	2,609
Profit and loss account movement arising during the year	(2,547)	3,570
Provision carried forward	<u>3,632</u>	<u>6,179</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	4,217	6,179
Other timing differences	(585)	—
	<u>3,632</u>	<u>6,179</u>

### 15. Commitments under operating leases

At 31 May 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & buildings 2003 £	2002 £
Operating leases which expire: After more than 5 years	<u>24,000</u>	<u>24,000</u>

# The Norwich Food Company Limited

## Notes to the abbreviated accounts

Year ended 31 May 2003

### 16. Transactions with the directors

During the year there were loans to the directors and their spouses which were interest free and unsecured. The maximum amounts outstanding during the year were the balances brought forward from 2002.

The balances outstanding at the year end are as follows:

	2003 £	2002 £
J F Allton Jones	—	34,000
J M Reid	—	38,500
Mrs N Allton Jones	—	5,000
Mrs W Reid	—	5,000

Consultancy fees amounting to £10,800 were paid to BJS Services Ltd, a company owned by B Skipper CBE.

### 17. Share capital

#### Authorised share capital:

	2003 £	2002 £
10,000 Ordinary shares of £1 each	10,000	10,000

#### Allotted, called up and fully paid:

	2003 No	£	2002 No	£
Ordinary shares	6,666	6,666	6,666	6,666

### 18. Capital redemption reserve

	2003 £	2002 £
Capital redemption reserve	3,333	3,333

### 19. Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit/(Loss) for the financial year	186,556	(24,614)
Dividends	(114,989)	—
	71,567	(24,614)
Opening shareholders' equity funds	353,700	378,314
Closing shareholders' equity funds	425,267	353,700



# The Norwich Food Company Limited

## Notes to the abbreviated accounts

Year ended 31 May 2003

### 20. Reconciliation of operating profit to Net cash inflow from operating activities

	2003 £	2002 £
Operating profit	277,244	22,487
Depreciation	31,558	36,652
Profit on disposal of fixed assets	—	(4,607)
(Increase)/Decrease in stocks	(120,741)	76,013
(Increase)/Decrease in debtors	(1,309,671)	851,728
Increase/(Decrease) in creditors	1,632,852	(647,601)
Net cash inflow from operating activities	<u>511,242</u>	<u>334,672</u>

### 21. Reconciliation of net cash flow to movement in net funds

	2003 £	2002 £
Increase in cash in the period	312,137	258,874
Cash outflow in respect of hire purchase	<u>19,792</u>	<u>21,573</u>
<b>Change in net funds resulting from cash flows</b>	331,929	280,447
New finance leases	—	(21,499)
Movement in net funds in the period	331,929	258,948
Net debt at 1 June 2002	(286,471)	(545,419)
Net funds at 31 May 2003	<u>45,458</u>	<u>(286,471)</u>

### 22. Analysis of changes in net funds

	At 1 Jun 2002 £	Cash flows £	At 31 May 2003 £
Net cash:			
Cash in hand and at bank	101,233	(41,597)	59,636
Overdrafts	<u>(353,734)</u>	<u>353,734</u>	<u>—</u>
	(252,501)	312,137	59,636
Debt:			
Hire purchase agreements	<u>(33,970)</u>	<u>19,792</u>	<u>(14,178)</u>
Net funds	<u>(286,471)</u>	<u>331,929</u>	<u>45,458</u>