

Report and Accounts

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COMPANIES HOUSE 07/03/98

The Norwich Food Company Limited

Registered No. 2874729

DIRECTORS

J F Allton Jones

J M Reid

SECRETARY

J M Reid

AUDITORS

Ernst & Young

Cambridge House

26 Tombland

Norwich

NR3 1RH

BANKERS

National Westminster Bank Plc

Norfolk House

Exchange Street

Norwich

NR2 1DD

SOLICITORS

Greenland Houchen

38 Prince of Wales Road

Norwich

NR1 1HZ

REGISTERED OFFICE

19 Alston Road

Hellesdon Park

Norwich

NR6 5DS

The Norwich Food Company Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 May 1997.

PRINCIPAL ACTIVITY

The company's principal activity is the import, export and distribution of frozen food products. The profit for the year is £88,939 and an interim dividend of £10,000 has been paid.

DIRECTORS AND THEIR INTERESTS

The directors at 31 May 1997 and their interests in the share capital of the company were as follows:

	<i>At 31 May 1997</i>	<i>At 31 May 1996</i>
	<i>Ordinary shares</i>	<i>Ordinary shares</i>
J F Allton Jones	3,333	3,333
J M Reid	3,333	3,333
J E Wright (resigned 1 January 1997)	-	3,333

During the year the company purchased 3,333 Ordinary £1 shares (representing 33% of issued share capital) from J E Wright as part of his cessation of employment with the company. The cost of this transaction was £9 per share.

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Company Law requires the directors to prepare accounts 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 of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts comply with the Companies Act 1985. They 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.

AUDITORS

A resolution in accordance with section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually was passed on 2 December 1993 and accordingly Ernst & Young shall be deemed to be reappointed as auditors.

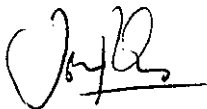
The Norwich Food Company Limited

DIRECTORS' REPORT

SMALL COMPANY EXEMPTIONS

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



J M Reid
Secretary

23 - 2 - 1998

REPORT OF THE AUDITORS

to the members of The Norwich Food Company Limited

We have audited the accounts on pages 6 to 12 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

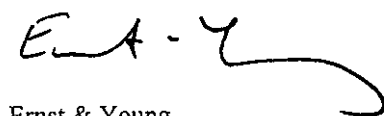
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 May 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

A handwritten signature in dark ink, appearing to read 'Ernst & Young', with a long, sweeping horizontal line extending to the right.

Ernst & Young
Chartered Accountants
Registered Auditor
Norwich

2 March 1998

The Norwich Food Company Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 May 1997

	Notes	1997 £	1996 £
TURNOVER	2	9,527,680	7,821,435
Cost of sales		8,724,112	7,184,069
Gross profit		803,568	637,366
Distribution costs		373,923	324,715
Administrative expenses		251,489	173,500
OPERATING PROFIT	3	178,156	139,151
Interest payable		62,812	32,436
Interest receivable		2,536	90
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		117,880	106,805
Tax on profit on ordinary activities		28,941	27,662
PROFIT FOR THE YEAR		88,939	79,143
Dividends: ordinary dividend on equity shares		10,000	15,000
PROFIT RETAINED FOR THE YEAR		78,939	64,143

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than those included in the profit and loss account above.

The Norwich Food Company Limited

BALANCE SHEET

as at 31 May 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	4	66,805	19,017
CURRENT ASSETS			
Stocks		392,890	445,429
Debtors	5	1,323,350	1,558,466
Cash at bank and in hand		45,910	5,955
		<u>1,762,150</u>	<u>2,009,850</u>
CREDITORS: amounts falling due within one year	6	<u>1,645,855</u>	<u>1,909,946</u>
NET CURRENT ASSETS		<u>116,295</u>	<u>99,904</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>183,100</u>	<u>118,921</u>
CREDITORS: amounts falling due after more than one year	7	25,041	10,000
PROVISIONS FOR LIABILITIES AND CHARGES	9	824	628
		<u>157,235</u>	<u>108,293</u>
CAPITAL AND RESERVES			
Called up share capital	10	6,666	9,999
Redemption reserve	11	3,333	-
Profit and loss account	11	147,236	98,294
SHAREHOLDERS' FUNDS		<u>157,235</u>	<u>108,293</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

J F Allton Jones

Directors

J M Reid

23-2-1998

The Norwich Food Company Limited

NOTES TO THE ACCOUNTS

at 31 May 1997

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	-	over 5 years
Motor vehicles	-	over 4 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Cash flow statement

The company has not produced a cash flow statement being a small company as defined by section 247 of the Companies Act 1985.

Pensions

The company contributes to personal pension schemes of certain employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

Leasing and hire purchase contracts

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The corresponding lease or hire purchase obligation is included in the balance sheet as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

The Norwich Food Company Limited

NOTES TO THE ACCOUNTS

at 31 May 1997

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

Turnover is attributable to one continuing activity, the import, export and distribution of frozen food products. 5.87% (1996 - 8.0%) of turnover is attributable to geographical markets outside the United Kingdom.

3. OPERATING PROFIT

This is stated after charging/(crediting):

	1997 £	1996 £
Depreciation of assets under hire purchase and financial obligations	9,823	-
Depreciation of owned fixed assets	4,250	4,237
Directors' remuneration	68,197	49,661
Auditors' remuneration	2,000	2,000
Profit on sale of fixed assets	(1,913)	-
	<u> </u>	<u> </u>

4. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Plant and Machinery £	Total £
Cost:			
At 1 June 1996	4,627	21,125	25,752
Additions	50,389	15,254	65,643
Disposals	(4,627)	-	(4,627)
	<u>50,389</u>	<u>36,379</u>	<u>86,768</u>
At 31 May 1997			
Depreciation:			
At 1 June 1996	509	6,226	6,735
Disposals	(845)	-	(845)
Provided during the year	8,978	5,095	14,073
	<u>8,642</u>	<u>11,321</u>	<u>19,963</u>
At 31 May 1997			
Net book value:			
At 31 May 1997	41,747	25,058	66,805
	<u>4,118</u>	<u>14,899</u>	<u>19,017</u>
At 31 May 1996			

The net book value of assets held under hire purchase and lease obligations is £40,566 (1996: £Nil).

The Norwich Food Company Limited

NOTES TO THE ACCOUNTS at 31 May 1997

5. DEBTORS

	1997	1996
	£	£
Trade debtors	1,266,214	1,525,482
Other debtors	57,136	32,964
	<u>1,323,350</u>	<u>1,558,446</u>

Trade debtors includes £1,100,000 (1996: £1,292,575) in respect of invoice discounted debtors.

6. CREDITORS: amounts falling due within one year

	1997	1996
	£	£
Trade creditors	847,340	1,156,744
Other creditors	791,419	738,202
Proposed dividend	-	15,000
Obligations under finance leases and hire purchase contracts (note 8)	7,096	-
	<u>1,645,855</u>	<u>1,909,946</u>

Other creditors include £23,127 (1996 - £36,564) in respect of taxation and social security and £764,646 (1996: £692,811) (secured) in respect of the bank for invoice discounting.

7. CREDITORS: amounts falling due after more than one year

	1997	1996
	£	£
Hire purchase and finance lease obligations (note 8)	25,041	-
Directors' loans	-	10,000
	<u>25,041</u>	<u>10,000</u>

The director's loan was unsecured and interest free.

The Norwich Food Company Limited

NOTES TO THE ACCOUNTS

at 31 May 1997

8 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:	1997 £	1996 £
Amounts payable:		
within two to five years	27,792	-
within one year	9,808	-
	<u>37,600</u>	<u>-</u>
Less: Interest allocated to future periods	5,463	-
	<u>32,137</u>	<u>-</u>

Finance leases and hire purchase contracts are analysed as follows:

Current obligations	7,096	-
Long term obligations	25,041	-
	<u>32,137</u>	<u>-</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES

The movements in deferred taxation during the year are as follows:

	£
At 1 June 1996	628
Charge for the year	196
	<u>824</u>
At 31 May 1997	<u>824</u>

Deferred taxation, provided in full, is as follows:

	1997 £	1996 £
Capital allowances in advance of depreciation	824	628
	<u>824</u>	<u>628</u>

The Norwich Food Company Limited

NOTES TO THE ACCOUNTS

at 31 May 1997

10. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted called up and fully paid</i>	
	<i>1997</i>	<i>1996</i>	<i>1997</i>	<i>1996</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	10,000	10,000	6,666	9,999
	<u>10,000</u>	<u>10,000</u>	<u>6,666</u>	<u>9,999</u>

11. RESERVES

	<i>Share capital</i>	<i>Redemption reserve</i>	<i>Profit and loss account</i>
			<i>£</i>
At 1 June 1996	9,999	-	98,294
Retained profit for the year	-	-	78,939
Purchase of own shares	(3,333)	3,333	(29,997)
	<u>6,666</u>	<u>3,333</u>	<u>147,236</u>

12. RECONCILIATION OF SHAREHOLDERS' FUNDS

	<i>1997</i>	<i>1996</i>
	<i>£</i>	<i>£</i>
Attributable to equity interests:		
At 1 June 1996	108,293	44,150
Purchase of own shares	(29,997)	-
Profit for the year	78,939	64,143
At 31 May 1997	<u>157,235</u>	<u>108,293</u>

13. OTHER FINANCIAL COMMITMENTS

At 31 May 1997 the company had annual rental commitments under an operating lease as set out below:

	<i>Land and buildings</i>
	<i>£</i>
Operating lease which expires: in over five years	6,220
	<u>6,220</u>

This lease is cancellable within one year.

The Norwich Food Company Limited

NOTES TO THE ACCOUNTS at 31 May 1997

14 PENSION COMMITMENTS

The company contributes to personal pension schemes of certain employees. The assets of these schemes are held separately from those of the company in independently administered funds. There were no unpaid contributions outstanding at the year end.

15 TRANSACTIONS WITH DIRECTORS

Included in "other debtors" (note 5) are loans to directors which are interest free.

	<i>J F Alton Jones</i> £	<i>J M Reid</i> £	<i>Total</i> £
Monies advanced by company during the year	5,000	5,000	10,000
Amounts repaid during the year	-	-	-
	<u>5,000</u>	<u>5,000</u>	<u>10,000</u>
Amount outstanding at 31 May 1997	<u>5,000</u>	<u>5,000</u>	<u>10,000</u>