

**Golden Wonder Limited**  
**Directors' Report and Financial Statements**  
**For the six months ended 28 December 2002**



**Company No. 2993030**

## **Golden Wonder Limited**

### **Company Information**

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#### **Directors**

DA Saeed  
JAR Cook  
H Bastawisi El-Kasar  
GE Marsden  
EJW Jackson  
S Mensforth

#### **Secretary**

DWS Secretaries Ltd.

#### **Company number**

2993030

#### **Registered Office**

Edinburgh House  
Abbey Street  
Market Harborough  
Leicestershire  
LE16 9AA

#### **Auditors**

Grant Thornton  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

#### **Bankers**

Barclays Bank plc

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# **Golden Wonder Limited**

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# **Golden Wonder Limited**

## **Directors' report for the six months ended 28 December 2002**

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The directors present their report and the audited financial statements for the company for the six months ended 28 December 2002.

### **Principal activity**

The principal activity of the company is the manufacture and distribution of bagged snacks.

### **Review of business**

The results for the period are set out in the profit and loss account on page 7.

The level of business and the period-end position are satisfactory. The directors expect that the current level of activity will be sustained for the foreseeable future.

On 29 July 2002 the entire issued share capital of the company was acquired by The Snack Factory Limited. From that date the directors regard Europa Investments SA, which is registered in Luxembourg, as the parent undertaking for which group accounts are drawn up.

The company incurred a loss before taxation of £4,490,000 up to the date of acquisition by The Snack Factory Limited, and £4,973,000 from this date to the end of the period whilst under the control of new management.

The ultimate controlling party by virtue of common directorship and shareholdings is the Hayel Saeed Anam (HSA) Group which is controlled by a Yemeni based family.

### **Post balance sheet event**

On 1 January 2003 the business of the immediate parent company, The Snack Factory Limited, was transferred to Golden Wonder Limited.

### **Dividends**

The directors have declared and paid an interim dividend of £4,157,000 on 27 July 2002; no final dividend is proposed (year to 29 June 2002: £19,761,000).

### **Research and development**

The company is committed to research and development activities in order to secure its position as a major brand name in the bagged snacks market. £748,000 (year to 29 June 2002: £1,994,000) of costs attributable to research and development have been charged to the profit and loss account in the period.

## **Golden Wonder Limited**

### **Directors' report for the six months ended 28 December 2002**

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#### **Directors**

The current directors and those who held office during the period are listed below:

DA Saeed (Yemeni)	(appointed 29 July 2002)
JAR Cook	(appointed 29 July 2002)
H Bastawisi El-Kasar (Egyptian)	(appointed 29 July 2002)
GE Marsden	(appointed 29 July 2002)
TBO Thompson	(appointed 28 August 2002; resigned 31 July 2003)
EJW Jackson	(appointed 8 April 2003)
S Mensforth	(appointed 19 August 2003)

CR Sharpe, SA Boyd and J Duffy resigned as directors on 29 July 2002. PJ Monk resigned as a director on 10 January 2003.

There were no contracts of significance with the company during or at the end of the financial period in which a director of the company was materially interested.

None of the directors held any interest in the shares of the company. DA Saeed, JAR Cook, GE Marsden and H Bastawisi El-Kasar are also directors of the intermediate parent company, Longulf Industries Limited, and their interests in the shares of Longulf Industries Limited are disclosed in the financial statements of that company.

#### **Property Values**

In the opinion of the directors there were no significant differences between market and book values of property at 28 December 2002.

#### **Political and charitable contributions**

During the period the company made charitable contributions of £300 (year to 29 June 2002: £9,600). There were no political contributions.

#### **Employees**

##### **Informed and involved**

It is the company's policy to proactively promote effective communication to and from all employees within the business. All staff are informed of the objectives of the business and performance against such objectives through periodic meetings and monthly briefings. These are supplemented by the company newspaper, Gold Standard, together with notices and bulletins regularly issued and posted on notice boards. The company has excellent relationships with a number of recognised unions, meeting regularly with representatives to inform and consult on matters which may impact upon their membership.

##### **Equal opportunities for all**

The company is committed to employment policies which follow best practice, based on equal opportunities for all employees irrespective of sex, race, colour, disability or marital status. The criterion for selection or promotion is solely suitability for the position in question. Training and development are provided for all employees and, indeed, many management vacancies within the business are filled by internal promotion.

It is the company's policy that disabled people be given fair consideration for all job opportunities that they are able to fill. Appropriate training is provided wherever necessary, including re-training for any member of staff who may develop a disability during their employment with the company.

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# **Golden Wonder Limited**

## **Directors' report for the six months ended 28 December 2002**

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### **Statement of directors' responsibilities**

Company law in the United Kingdom requires the directors to prepare financial statements for each financial period 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 enable them to ensure that the financial statements 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.

By order of the Board



**DA Saeed**  
**Chairman**

Edinburgh House  
Abbey Street  
Market Harborough  
Leicestershire  
LE16 9AA

Members of Golden Wonder Limited

We have audited the financial statements of Golden Wonder Limited for the six months ended 28 December 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 2 to 29. These financial statements have been prepared under the accounting policies set out therein.

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 the directors and auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and Accounting Standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 1985. 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.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

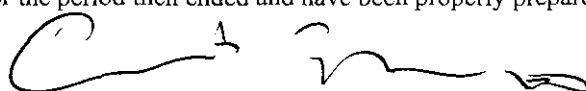
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 affairs of the company as at 28 December 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton  
Registered Auditors  
Chartered Accountants



London  
25 March 2004

# Golden Wonder Limited

## Profit and loss account

For the six months ended 28 December 2002

		Six Months to 28 December 2002 £000	Year Ended 29 June 2002 £000
	Notes		
Turnover	2	48,550	142,169
Change in stocks of finished goods		(318)	(1,899)
		<u>48,232</u>	<u>140,270</u>
Other net operating expenses	3	(50,555)	(128,277)
<b>Operating (loss) / profit before operating exceptional items and amortisation of goodwill</b>		<b>(2,323)</b>	<b>11,993</b>
Operating exceptional items	9	(5,654)	(673)
Amortisation of goodwill	8	-	(210)
<b>Total net operating expenses</b>		<b>(56,209)</b>	<b>(129,160)</b>
<b>Operating (loss) / profit - continuing operations</b>		<b>(7,977)</b>	<b>11,110</b>
(Loss) / profit on sale of fixed assets	9	(927)	8,172
Interest receivable	6	22	103
Interest payable and similar charges	7	(581)	(466)
<b>(Loss) / profit on ordinary activities before taxation</b>	8	<b>(9,463)</b>	<b>18,919</b>
Tax on (loss) / profit on ordinary activities	10	2,286	(5,386)
<b>(Loss) / profit for the financial period</b>		<b>(7,177)</b>	<b>13,533</b>
Dividends	11	(4,157)	(19,761)
<b>Retained loss for the period</b>	21	<b>(11,334)</b>	<b>(6,228)</b>

There is no Statement of Recognised Gains and Losses as there were no such items occurring outside the profit and loss account. Similarly there is no Note of Historical Cost Profits or Losses as the accounts are prepared on the unmodified historical cost basis.

The profit and loss account for the period is entirely in respect of continuing operations. There were no material acquisitions or discontinued activities in the period.



# Golden Wonder Limited

## Balance Sheet

As at 28 December 2002

		28 December 2002		29 June 2002	
	Notes	£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible assets	12		2,500		2,500
Tangible assets	13		<u>34,682</u>		<u>37,714</u>
			37,182		40,214
<b>Current assets</b>					
Stocks	14	3,668		4,493	
Debtors: amounts falling due after more than one year	15	1,717		2,322	
Debtors: amounts falling due within one year	15	20,225		21,859	
Cash at bank and in hand		<u>3,382</u>		<u>1,242</u>	
		28,992		29,916	
<b>Creditors: amounts falling due within one year</b>	16	<u>(31,888)</u>		<u>(42,308)</u>	
<b>Net current liabilities</b>			(2,896)		(12,392)
<b>Total assets less current liabilities</b>			<u>34,286</u>		<u>27,822</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(22,278)		(2,994)
<b>Provisions for liabilities and charges</b>					
Deferred taxation	19		(345)		(1,831)
<b>Net assets</b>			<u>11,663</u>		<u>22,997</u>
<b>Capital and reserves</b>					
Called up share capital	20		1		1
Share premium account	21		3,499		3,499
Capital reserve	21		6,500		6,500
Profit and loss account	21		<u>1,663</u>		<u>12,997</u>
<b>Equity shareholders' funds</b>	22		<u>11,663</u>		<u>22,997</u>

These financial statements were approved by the board on 25 March 2004 and signed on its behalf by:

DA Saeed  
Chairman

JAR Cook  
Director

# Golden Wonder Limited

## Notes to the financial statements

For the six months ended 28 December 2002

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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. A summary of the more important company accounting policies, which have been applied consistently, is set out below.

#### Turnover

Turnover comprises the invoiced value of goods supplied less value added tax and trade discounts.

#### Research and development

Research and development expenditure is charged to profits in the period in which it is incurred

#### Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of the tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Freehold properties	2-4
Plant and machinery	10
Computers and office equipment	14-33
Lorries and vans	20
Fixtures and fittings	20
Motor vehicles	25

Leasehold land and buildings are amortised over 25 to 50 years or, if shorter, the period of the lease. Freehold land is not depreciated.

#### Impairment of fixed assets and goodwill

Assets are reviewed for impairment in accordance with FRS 11, Impairment of Fixed Assets and Goodwill, if there is some indication that impairment has occurred.

#### Licences

Licences represent the acquisition of a product licence, valued at cost. The carrying value of the asset is reviewed annually by the Directors to determine whether there has been impairment in its value. Any impairment that arises will be charged to the profit and loss account.

#### Research and development

Research and development expenditure is written off to the profit and loss account in the period in which it is incurred.

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# **Golden Wonder Limited**

## **Notes to the financial statements**

**For the six months ended 28 December 2002**

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### **Finance Leases**

Plant and equipment which are the subject of finance leases are capitalised in the balance sheet and depreciated over their expected useful lives. The capital elements of future obligations are included as liabilities on the balance sheet.

Rentals are apportioned between reductions of the respective liabilities and finance charges, the latter being calculated by reference to the rates of interest implicit in the leases, so as to give a constant periodic rate of charge.

### **Operating Leases**

Costs in respect of operating leases are charged on a straight line basis over the term of the lease.

### **Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow moving and defective stocks.

### **Deferred taxation**

Full provision is made for deferred taxation using the liability method on all material timing differences including accelerated capital allowances, timing differences arising from the provision of employee pensions and other sources of short-term timing differences. Deferred tax assets are recognised when it is more likely than not that they will be recovered. The company does not discount deferred tax assets and liabilities.

### **Pensions costs**

The company is a member of the Golden Wonder Pension Scheme, a defined benefit pension scheme which is contracted out of the state scheme. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The difference between the company's payment of pension contributions and the accrued charge, which is due to the surplus transferred in, is set off against the balance sheet pension surplus account. The effects of other variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

On 1 January 2003 the Golden Wonder Pension Scheme was closed to new members. From that date qualifying employees were entitled to join the Golden Wonder Stakeholder Pension Plan, a money purchase scheme.

### **Related party transactions**

The company is exempt under the requirements of Financial Reporting Standard 8, Related Party Transactions, from disclosing related party transactions with other group companies.

## **2. Segmental analysis of business**

The company operates in only one class of business, namely the manufacture and distribution of bagged snacks. Substantially all of the company's business is conducted in the United Kingdom. Exports are not material. Accordingly the company has not prepared any segmental analysis.

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# Golden Wonder Limited

## Notes to the financial statements

For the six months ended 28 December 2002

3	Other operating expenses	28 December 2002 £000	29 June 2002 £000
	Raw materials and consumables	17,236	46,998
	Other external charges	19,230	45,527
	Staff costs (note 5)	11,488	29,846
	Depreciation of tangible fixed assets	2,601	5,906
		<u>50,555</u>	<u>128,277</u>

4	Directors	28 December 2002 £000	29 June 2002 £000
	Aggregate emoluments	416	598

Retirement benefits are accruing to 2 (29 June 2002: 4) directors under a defined benefit scheme.

Highest paid director	28 December 2002 £000	29 June 2002 £000
Aggregate emoluments	158	213
Accrued pension as at period end	29	114

No director waived emoluments in respect of the period ended 28 December 2002.

## 5 Employees Information

Staff costs, including directors' remuneration, were as follows:	28 December 2002 £000	29 June 2002 £000
Wages and salaries	11,145	27,675
Social security costs	801	2,264
Pensions	623	73
	<u>12,569</u>	<u>30,012</u>

The above includes an exceptional charge of £1,081,000 (29 June 2002: £166,000)

The average monthly number of employees, including directors, during the period was as follows:

	28 December 2002 Number	29 June 2002 Number
Total average number of employees	<u>1,037</u>	<u>1,430</u>

# Golden Wonder Limited

## Notes to the financial statements

For the six months ended 28 December 2002

6	Interest receivable	28 December 2002 £000	29 June 2002 £000
	Bank interest receivable	22	44
	Other interest receivable	-	59
		<u>22</u>	<u>103</u>
7	Interest payable and similar charges	28 December 2002 £000	29 June 2002 £000
	Interest payable on bank loans and overdrafts	58	147
	Interest payable on group loans	396	-
	Finance lease and hire purchase contracts	124	230
	Amortisation of arrangement fees	3	89
		<u>581</u>	<u>466</u>
8	(Loss) / profit on ordinary activities before taxation	28 December 2002 £000	29 June 2002 £000
	<i>This is stated after charging or crediting:</i>		
	Depreciation of tangible fixed assets:		
	-owned assets	1,963	4,596
	-assets held under finance leases and hire purchase	638	1,310
	Amortisation of goodwill	-	210
	Loss / (profit) on disposal of fixed assets	974	(8,216)
	(including an exceptional loss of £927,000 (29 June 2002 profit: £8,172,000))		
	Operating leases:		
	-plant & equipment	517	1,779
	-other assets	224	514
	Amortisation of pension surplus	605	22
	Auditors' remuneration - non audit work	50	172
	Auditors' remuneration	58	63
	Research and development	<u>748</u>	<u>1,994</u>
	The loss on ordinary activities before taxation was incurred as follows:		
	From 30 June 2002 to 28 July 2002 prior to acquisition by The Snack Factory Ltd.	4,490	
	From 29 July 2002 to 28 December 2002	<u>4,973</u>	
	Total	<u>9,463</u>	

# Golden Wonder Limited

## Notes to the financial statements

For the six months ended 28 December 2002

### 9 Exceptional items

#### Operating exceptionals

The operating exceptional items include the costs relating to the sale of the company and subsequent reorganisation.

	Consultancy and reorganisation	Costs re sale of company	Other	28 December 2002 Total	29 June 2002 Total
	£000	£000	£000	£000	£000
Other external charges (a)	516	3,848	-	4,364	507
Staff costs (b)	1,049	32	-	1,081	166
Raw materials and consumables (c)	-	-	209	209	-
	<u>1,565</u>	<u>3,880</u>	<u>209</u>	<u>5,654</u>	<u>673</u>

(a) Other external charges

These represent additional costs related to the sale of the company and subsequent reorganisation.

(b) Staff costs

These represent costs of redundancies.

(c) Raw materials and consumables

These represent the costs of products no longer manufactured as a result of the sale of the company.

#### Non-operating exceptionals (loss on sale of fixed assets)

The loss on sale of fixed assets arises on the sale of the company.

	Plant and machinery	Computers, office equipment and fittings	28 December 2002 Total
	£000	£000	£000
Net proceeds	-	67	67
Less net book value	-	(78)	(78)
Equipment scrapped	<u>(568)</u>	<u>(348)</u>	<u>(916)</u>
	<u>(568)</u>	<u>(359)</u>	<u>(927)</u>

# Golden Wonder Limited

## Notes to the financial statements

For the six months ended 28 December 2002

10	Taxation	28 December		29 June	
		2002		2002	
		£000		£000	
	UK corporation tax at 30% (29 June 2002: 30%)	-		800	
	Losses carried back	(800)		-	
	Payments to group companies for tax losses	-		750	
	Prior year adjustments	-		(351)	
	Payments to group companies for prior year tax losses	-		2,800	
		(800)		3,999	
	UK deferred tax at 30% (29 June 2002: 30%)				
	Deferred tax charge for origination and reversal of timing differences (note 19)	(1,486)		1,387	
		(2,286)		5,386	
The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below.					
		28 December		29 June	
		2002		2002	
		£000		£000	
	(Loss) / profit on ordinary activities before taxation	(9,463)		18,919	
	Profit multiplied by the standard rate of UK corporation tax 30% (29 June 2002: 30%)	(2,839)		5,676	
	Capital allowances (in excess of)/ less than depreciation and impairment	92		(241)	
	Profit on disposal of assets within group, not subject to taxation	-		(2,320)	
	Disallowable expenses	584		135	
	Group relief in excess of cost to company	-		(1,700)	
	Prior year adjustments	-		2,449	
	Losses carried forward	1,363		-	
		(800)		3,999	
11	Dividends	Per Share			
		28 December	29 June	28 December	29 June
		2002	2002	2002	2002
		£	£	£000	£000
	Ordinary dividends - paid on 27 July 2002	4,149	19,722	4,157	19,761

# Golden Wonder Limited

## Notes to the financial statements

For the six months ended 28 December 2002

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### 12 Intangible fixed assets

#### Cost and net book value

At 30 June 2002 and at 28 December 2002

Licences  
£000

2,500

The Board believes that the brand underlying the licence has an indefinite life due to the level of marketing expenditure that the company maintains to support the brand.

The Board has carried out a review of the carrying value of the licence at 28 December 2002. In conducting this review the Board has considered the cashflow generated from the related product, consistent with the requirements of FRS11, and is satisfied that this demonstrates that no impairment has occurred. Accordingly to show a true and fair view no amortisation has been charged in the profit and loss account and no charge for impairment has been made. This is a departure from the normal requirements of the Companies Act 1985.



# Golden Wonder Limited

## Notes to the financial statements

For the six months ended 28 December 2002

### 13 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Computers, office equipment and fittings	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 30 June 2002	10,323	1,127	43,967	12,510	67,927
Additions	45	-	409	182	636
Disposals	-	-	(6,956)	(1,915)	(8,871)
<b>At 28 December 2002</b>	<b>10,368</b>	<b>1,127</b>	<b>37,420</b>	<b>10,777</b>	<b>59,692</b>
<b>Depreciation</b>					
At 30 June 2002	1,409	263	20,616	7,925	30,213
Charge	157	25	1,767	652	2,601
Disposals	-	-	(6,011)	(1,793)	(7,804)
<b>At 28 December 2002</b>	<b>1,566</b>	<b>288</b>	<b>16,372</b>	<b>6,784</b>	<b>25,010</b>
<b>Net book value</b>					
<b>At 28 December 2002</b>	<b>8,802</b>	<b>839</b>	<b>21,048</b>	<b>3,993</b>	<b>34,682</b>
At 30 June 2002	8,914	864	23,351	4,585	37,714

Depreciation has not been charged on freehold land, which is stated at a cost of £1,455,000 (29 June 2002: £1,455,000)

Plant and machinery subject to finance lease included in net book value is:

	28 December 2002 £000	29 June 2002 £000
Net book value	<b>7,552</b>	8,459

# Golden Wonder Limited

## Notes to the financial statements

For the six months ended 28 December 2002

14	Stocks	28 December 2002 £000	29 June 2002 £000
	Raw materials and consumables	1,284	1,791
	Finished goods and goods for resale	2,384	2,702
		<u>3,668</u>	<u>4,493</u>

The replacement cost of raw materials and consumables is not significantly different from their balance sheet value.

15	Debtors	28 December 2002 £000	29 June 2002 £000
	Trade debtors	16,063	18,381
	Amounts owed by group undertakings	1,146	1,148
	Corporation tax	494	-
	Other debtors	349	344
	Prepayments and accrued income	2,173	1,986
	Pension surplus	1,717	2,322
		<u>21,942</u>	<u>24,181</u>

Included within the above are amounts falling due after more than one year as follows:

Pension surplus (note 23)	<u>1,717</u>	<u>2,322</u>
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16	Creditors: amounts falling due within one year	28 December 2002 £000	29 June 2002 £000
	Obligations under hire purchase and finance leases (note 18)	527	464
	Trade creditors	19,737	22,809
	Amounts owed to group undertakings	3,900	10,194
	Corporation tax	-	545
	Other taxes and social security	1,518	2,982
	Other creditors	4,793	3,405
	Accruals and deferred income	1,413	1,909
		<u>31,888</u>	<u>42,308</u>

17	Creditors: amounts falling due after more than one year	28 December 2002 £000	29 June 2002 £000
	Obligations under hire purchase and finance leases (note 18)	2,688	2,994
	Amounts owed to group undertakings	19,590	-
		<u>22,278</u>	<u>2,994</u>

# Golden Wonder Limited

## Notes to the financial statements

For the six months ended 28 December 2002

<b>18</b>	<b>Obligations under hire purchase and finance leases</b>	<b>28 December</b>	<b>29 June</b>
		<b>2002</b>	<b>2002</b>
		<b>£000</b>	<b>£000</b>
	Obligations under hire purchase and finance leases are analysed between amounts payable:		
	In the next year	527	464
	In the second to fifth years inclusive	2,502	2,452
	In more than five years	186	542
		<u>3,215</u>	<u>3,458</u>
	Interest on the finance leases was charged at 6.8%.		
<b>19</b>	<b>Deferred Taxation</b>	<b>28 December</b>	<b>29 June</b>
		<b>2002</b>	<b>2002</b>
		<b>£000</b>	<b>£000</b>
	At 30 June 2002	1,831	444
	Movement in the period	<u>(1,486)</u>	<u>1,387</u>
	<b>At 28 December 2002</b>	<u>345</u>	<u>1,831</u>
	Undiscounted deferred taxation provided in the financial statements is as follows:	<b>28 December</b>	<b>29 June</b>
		<b>2002</b>	<b>2002</b>
		<b>£000</b>	<b>£000</b>
	Excess of tax allowances over depreciation	1,243	1,148
	Post retirement benefits	493	697
	Other timing differences	(28)	(14)
	Losses	<u>(1,363)</u>	<u>-</u>
		<u>345</u>	<u>1,831</u>

Deferred tax has been provided in full, except for the tax that would arise on the profit on disposal of land and buildings, which has been rolled over. The maximum amount of tax that could become payable is £59,000 (29 June 2002: £59,000).

If any of the properties were realised at the amounts included in the balance sheet, in view of the company's policy of expansion and continued ownership of its assets it would be necessary to replace them by purchasing similar property; rollover relief would therefore be available. Accordingly, the difference between book cost and tax cost do not constitute timing differences as defined by Financial Reporting Standard 19, and the potential amount of deferred tax if they were to be disposed of has therefore not been quantified.

# Golden Wonder Limited

## Notes to the financial statements

For the six months ended 28 December 2002

20	Share Capital	28 December		29 June
		2002		2002
		£000		£000
	<b>Authorised</b>			
	1,100 Ordinary shares of £1 each	<u>1</u>		<u>1</u>
	<b>Allotted, called up and fully paid</b>			
	1,002 Ordinary shares of £1 each	<u>1</u>		<u>1</u>
21	Share Premium and reserves			
		Share premium account	Capital reserve	Profit and loss account
		£000	£000	£000
	At 30 June 2002	3,499	6,500	12,997
	Loss for the period	-	-	(11,334)
	<b>At 28 December 2002</b>	<u>3,499</u>	<u>6,500</u>	<u>1,663</u>

The amount of reserves of Golden Wonder Limited that may legally be distributed under section 264 of the Companies Act 1985 is £1,150,000 (29 June 2002: £12,484,000)

# Golden Wonder Limited

## Notes to the financial statements

### For the six months ended 28 December 2002

22	Reconciliation of movement in shareholders' funds	28 December 2002 £000	29 June 2002 £000
	(Loss) / profit for the financial period	(7,177)	13,533
	Dividends	<u>(4,157)</u>	<u>(19,761)</u>
	Decrease in shareholders' funds	(11,334)	(6,228)
	Opening shareholders' funds	<u>22,997</u>	<u>29,225</u>
	Closing shareholders' funds	<u>11,663</u>	<u>22,997</u>

### 23 Pension Scheme

The company participates in the Golden Wonder Pension Fund, a defined benefit type of scheme. The assets of the scheme are held in a separate trustee administered fund.

The pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. An actuarial valuation of the Golden Wonder Pension Fund was carried out on 1 April 2002. According to the valuation the scheme's assets were valued at £35,300,000, which represents 94% of the scheme's liabilities. As a result of the valuation, the company has agreed that its contributions into the Golden Wonder Pension Fund from 1 January 2003 should be 8.3% of total contribution salaries and an annual payment of £135,000 to fund the deficit until the next actuarial valuation of the scheme.

The assumptions that have the most significant effect on the valuation are those relating to the rate of interest for valuing past service liabilities, the rate of interest for determining the future service contribution rate and the rates of increase in salaries and pensions. It was assumed that the rate of interest for valuing past service liabilities would be 6.6% per annum, the rate of interest for determining the future service contribution rate would be 7%, that salary increases would average 5% per annum and that present and future pensions would increase at the rates of 3.6% and 4.2% per annum on the excess over the Guaranteed Minimum Pension.

#### Financial Reporting Standard 17

The company is also required to report on the pension fund as valued under Financial Reporting Standard 17, for information only. The results of the actuarial valuation at 1 April 2002 were projected to 28 December 2002 and then recalculated based on the following assumptions:

# Golden Wonder Limited

## Notes to the financial statements

### For the six months ended 28 December 2002

	At 28 December 2002	At 29 June 2002
Rate of increase in salaries	4.00%	4.50%
LPI increases for pensions in payment	2.25%	2.50%
Liability discount rate	5.50%	6.00%
Inflation assumption	2.50%	2.75%
Revaluation of deferred pensions	2.50%	2.75%

#### The assets in the scheme and the expected rate of return were:

	Value at 28 Dec. 2002 £000	Expected long-term rate of return 28 Dec. 2002	Value at 29 June 2002 £000	Expected long-term rate of return 29 June 2002
Equities	19,443	6.50%	24,474	7.00%
Bonds	7,996	5.00%	7,716	5.00%
Cash	177	4.00%	489	5.00%

	27,616	32,679
Present value of scheme liabilities	(41,559)	(40,998)
(Deficit)/surplus in the scheme	(13,943)	(8,319)
Related deferred tax asset/(liability)	4,183	2,496
Net pension (liability)/asset	(9,760)	(5,823)

#### Analysis of the amount that would be charged to operating profit:

	Total £000
Current service cost	619
Past service cost	-
Loss / (gain) on settlement	(802)
Total operating charge	(183)

# Golden Wonder Limited

## Notes to the financial statements

### For the six months ended 28 December 2002

#### Analysis of the amount that would be credited to other finance income:

	Total
	£000
Expected return on pension scheme assets	1,032
Interest on pension scheme liabilities	(1,211)
	<hr/>
<b>Net Return</b>	<b>(179)</b>
	<hr/>

#### Analysis of amount that would be recognised in statement of total recognised gains and losses (STRGL):

	Total
	£000
Actual return less expected return on pension scheme assets	(4,237)
Experience gains and losses arising on the scheme liabilities	-
Changes in assumptions underlying the present value of the scheme liabilities	(1,419)
	<hr/>
<b>Actuarial loss recognised in STRGL</b>	<b>(5,656)</b>
	<hr/>

#### Movement in surplus during the period:

	Total
	£000
Deficit in scheme at start of period	(8,319)
Movement in period:	
Current service cost	(619)
Contributions	28
Past service costs	-
Other finance income	(179)
Actuarial loss	(5,656)
Settlement	802
	<hr/>
<b>Deficit in scheme at period end</b>	<b>(13,943)</b>
	<hr/>

Following the full actuarial valuation at 1 April 2002 employer contributions have been agreed at 8.3% of contribution salary plus £15,000 per month from March 2003. Active members pay at the rate of 5 per cent of contribution salary.

#### History of experience gains and losses

	Total £000	Total %
<b>Difference between the expected and actual return on scheme assets</b>	<b>(4,237)</b>	
percentage of the scheme assets		(15%)
<b>Experience gains and losses on scheme liabilities</b>	<b>-</b>	
percentage of the present value of the scheme liabilities		(0%)
<b>Total amount recognised in statement of total recognised gains and losses</b>	<b>(5,656)</b>	
percentage of the present value of the scheme liabilities		(14%)

# Golden Wonder Limited

## Notes to the financial statements

For the six months ended 28 December 2002

### 24 Capital commitments

The company had the following capital commitments:

	28 December	29 June
	2002	2002
	£000	£000
Contracted but not provided for in the financial statements	<u>2</u>	<u>296</u>

### 25 Operating lease commitments

At 28 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	28 December	29 June
	2002	2002
	£000	£000
Operating leases which expire:		
Within one year	142	116
Between two and five years	<u>410</u>	<u>627</u>
	<u>552</u>	<u>743</u>

### 26 Ultimate holding company

The directors regard Europa Investments SA, which is registered in Luxembourg, as the parent undertaking for which group accounts are drawn up.

The ultimate controlling party by virtue of common directorship and shareholdings is the Hayel Saeed Anam (HSA) Group which is controlled by a Yemeni based family.

### 27 Related Party Transactions

As a wholly owned subsidiary of Longulf Industries Limited, the company is exempt under FRS 8 from disclosing transactions with other members of the group headed by Longulf Industries Limited.

### 28 Cashflow statement

The company's results are consolidated by Longulf Industries Limited, which prepares a cashflow statement in accordance with Financial Reporting Standard No 1 (Revised). As a result the company has elected not to prepare its own cashflow statement.

### 29 Post balance sheet event

On 1 January 2003 the business of the immediate parent company, The Snack Factory Limited, was transferred to Golden Wonder Limited.