

**Abbreviated Accounts**  
**for the Year Ended 31 March 2003**  
**for**  
**SunChoice Europe Limited**



**SunChoice Europe Limited**

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for the Year Ended 31 March 2003**

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**SunChoice Europe Limited**  
**Company Information**  
**for the Year Ended 31 March 2003**

**DIRECTORS:**

B Hornby  
C M Jap  
J P Flaherty  
M D Gosling  
J Storey

**SECRETARY:**

S Kime

**REGISTERED OFFICE:**

145 Cannon Street  
London  
EC4N 5BQ

**REGISTERED NUMBER:**

3017507 (England and Wales)

**AUDITORS:**

Haslam Tunstall  
Registered Auditors  
Chartered Accountants  
14 Bold Street  
Warrington  
WA1 1DL

## SunChoice Europe Limited

### Report of the Directors for the Year Ended 31 March 2003

The directors present their report with the financial statements of the company for the year ended 31 March 2003.

#### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of enteral feeding homecare services, and the distribution of bulk medical products and surgical appliances. With effect from 1st April 2002 the company had acquired the trade assets and liabilities of its subsidiary SunChoice UK Limited.

#### REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

#### DIVIDENDS

No dividends will be distributed for the year ended 31 March 2003.

#### EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

#### DIRECTORS

The directors during the year under review were:

W H McInter	
P V Roach	- resigned 30.4.02
K W Phippen	
J Ablett	- resigned 2.9.02
L Antoniadis	- resigned 30.4.02
B Hornby	

The directors holding office at 31 March 2003 did not hold any beneficial interest in the issued share capital of the company at 1 April 2002 or 31 March 2003.

W H McInter and K W Phippen were also directors at the balance sheet date of SunChoice Group Limited, the ultimate parent undertaking, and their interests in its shares are disclosed in that company's accounts.

Messrs McInter and Phippen resigned as directors of the company on 8.04.03.

Ms. Jap and Messrs. Gosling, Flaherty and Storey were appointed as directors on 8.04.03.

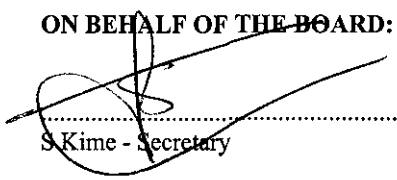
#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 of the company 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;
- 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 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.

ON BEHALF OF THE BOARD:



S. Kime - Secretary

Date: 23<sup>rd</sup> January 2004

**Report of the Independent Auditors to  
SunChoice Europe Limited  
Under Section 247B of the Companies Act 1985**

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

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and 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 that provision and to 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 full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages four to fifteen are properly prepared in accordance with that provision.



Haslam Tunstall  
Registered Auditors  
Chartered Accountants  
14 Bold Street  
Warrington  
WA1 1DL

Date: 23<sup>rd</sup> January 2004

**SunChoice Europe Limited**  
**Profit and Loss Account**  
**for the Year Ended 31 March 2003**

		<u>31.3.03</u>		<u>31.3.02</u>	
	Notes	£	£	£	£
<b>TURNOVER</b>			5,382,155		956,790
Continuing operations		1,960,064		956,790	
Acquisitions		<u>3,422,091</u>		<u>-</u>	
		<u>5,382,155</u>		<u>956,790</u>	
 Cost of sales	2		<u>(3,997,243)</u>		<u>(653,380)</u>
<b>GROSS PROFIT</b>	2		1,384,912		303,410
 Net operating expenses	2		<u>(1,597,662)</u>		<u>(1,148,448)</u>
<b>OPERATING LOSS</b>	4		(212,750)		(845,038)
Continuing operations		(467,006)		(845,038)	
Acquisitions		<u>254,256</u>		<u>-</u>	
		<u>(212,750)</u>		<u>(845,038)</u>	
 Profit on disposal of Discontinued Activities			<u>-</u>		<u>29,236</u>
			(212,750)		(815,802)
 Interest receivable and similar income			<u>22,297</u>		<u>17,480</u>
			(190,453)		(798,322)
 Interest payable and similar charges	5		<u>(1,371)</u>		<u>(280)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(191,824)		(798,602)
 Tax on loss on ordinary activities	6		<u>-</u>		<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<u>(191,824)</u>		<u>(798,602)</u>
<b>DEFICIT FOR THE YEAR</b>			<u>(191,824)</u>		<u>(798,602)</u>

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current and previous years.

The notes form part of these abbreviated accounts

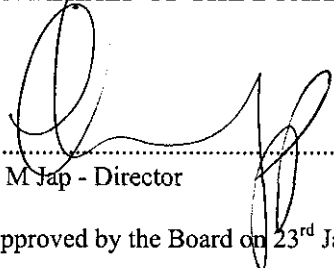
**SunChoice Europe Limited**

**Abbreviated Balance Sheet  
31 March 2003**

		<u>31.3.03</u>		<u>31.3.02</u>	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		278,179		311,707
<b>CURRENT ASSETS</b>					
Stocks	9	580,674		82,080	
Debtors	10	1,247,143		1,426,102	
Investments	11	-		38,000	
Cash at bank and in hand		<u>42,226</u>		<u>47,583</u>	
		1,870,043		1,593,765	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>(1,138,203)</u>		<u>(703,629)</u>	
<b>NET CURRENT ASSETS</b>			<u>731,840</u>		<u>890,136</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,010,019</u>		<u>1,201,843</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		3,742,000		3,742,000
Profit and loss account	16		<u>(2,731,981)</u>		<u>(2,540,157)</u>
<b>SHAREHOLDERS' FUNDS</b>	20		<u>1,010,019</u>		<u>1,201,843</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

**ON BEHALF OF THE BOARD:**

  
.....  
C M Jap - Director

Approved by the Board on 23<sup>rd</sup> January 2004

The notes form part of these abbreviated accounts

**SunChoice Europe Limited**

**Cash Flow Statement  
for the Year Ended 31 March 2003**

		<u>31.3.03</u>		<u>31.3.02</u>	
	Notes	£	£	£	£
<b>Net cash outflow from operating activities</b>	1		(27,052)		(50,707)
<b>Returns on investments and servicing of finance</b>	2		20,926		17,200
<b>Taxation</b>			(646)		-
<b>Capital expenditure and financial investment</b>	2		<u>1,415</u>		<u>(53,305)</u>
<b>Decrease in cash in the period</b>			<u>(5,357)</u>		<u>(86,812)</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net funds</b>	3				
Decrease in cash in the period		(5,357)		(86,812)	
Cash (inflow)/outflow from (decrease)/increase in liquid resources		<u>(38,000)</u>		<u>38,000</u>	
Change in net funds resulting from cash flows			<u>(43,357)</u>		<u>(48,812)</u>
<b>Movement in net funds in the period</b>			<u>(43,357)</u>		<u>(48,812)</u>
<b>Net funds at 1 April</b>			<u>85,583</u>		<u>134,395</u>
<b>Net funds at 31 March</b>			<u>42,226</u>		<u>85,583</u>

The notes form part of these abbreviated accounts



**SunChoice Europe Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 31 March 2003**

**1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	31.3.03 £	31.3.02 £
Operating loss	(212,750)	(845,038)
Depreciation charges	82,113	65,949
Profit on disposal of fixed assets	(12,000)	-
Exceptional items	-	29,236
Increase in stocks	(498,594)	(31,895)
Decrease in debtors	178,959	942,444
Increase/(Decrease) in creditors	<u>435,220</u>	<u>(211,403)</u>
<b>Net cash outflow from operating activities</b>	<u><b>(27,052)</b></u>	<u><b>(50,707)</b></u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.3.03 £	31.3.02 £
<b>Returns on investments and servicing of finance</b>		
Interest received	22,297	17,480
Interest paid	<u>(1,371)</u>	<u>(280)</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<u><b>20,926</b></u>	<u><b>17,200</b></u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(48,585)	(54,888)
Sale of intangible fixed assets	12,000	-
Sale of tangible fixed assets	-	39,583
Current asset investments	<u>38,000</u>	<u>(38,000)</u>
<b>Net cash inflow/(outflow) for capital expenditure and financial investment</b>	<u><b>1,415</b></u>	<u><b>(53,305)</b></u>

The notes form part of these abbreviated accounts

**SunChoice Europe Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 31 March 2003**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.02 £	Cash flow £	At 31.3.03 £
Net cash:			
Cash at bank and in hand	<u>47,583</u>	<u>(5,357)</u>	<u>42,226</u>
	<u>47,583</u>	<u>(5,357)</u>	<u>42,226</u>
Liquid resources:			
Current asset investments	<u>38,000</u>	<u>(38,000)</u>	<u>-</u>
	<u>38,000</u>	<u>(38,000)</u>	<u>-</u>
Total	<u><u>85,583</u></u>	<u><u>(43,357)</u></u>	<u><u>42,226</u></u>

The notes form part of these abbreviated accounts

# SunChoice Europe Limited

## Notes to the Abbreviated Accounts for the Year Ended 31 March 2003

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention.

#### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- at varying rates on cost
Fixtures and fittings	- at varying rates on cost

#### Stocks

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

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

#### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

#### Group Accounts

The company has taken advantage of the legal dispensation not to prepare group accounts as conferred by section 248 of Companies Act 1985.

### 2. ANALYSIS OF OPERATIONS

	Continuing £	31.3.03 Acquisitions £	Total £
Cost of sales	<u>1,642,905</u>	<u>2,354,338</u>	<u>3,997,243</u>
Gross profit	<u>317,159</u>	<u>1,067,753</u>	<u>1,384,912</u>
Net operating expenses:			
Administrative expenses	<u>784,165</u>	<u>813,497</u>	<u>1,597,662</u>

**SunChoice Europe Limited**

**Notes to the Abbreviated Accounts  
for the Year Ended 31 March 2003**

**2. ANALYSIS OF OPERATIONS - continued**

	Continuing £	31.3.02 Acquisitions £	Total £
Cost of sales	<u>653,380</u>	<u>-</u>	<u>653,380</u>
Gross profit	<u>303,410</u>	<u>-</u>	<u>303,410</u>
Net operating expenses:			
Administrative expenses	<u>1,148,448</u>	<u>-</u>	<u>1,148,448</u>

**3. STAFF COSTS**

	31.3.03 £	31.3.02 £
Wages and salaries	548,519	226,050
Social security costs	41,322	26,078
Other pension costs	<u>24,663</u>	<u>13,107</u>
	<u>614,504</u>	<u>265,235</u>

The average monthly number of employees during the year was as follows:

	31.3.03 No.	31.3.02 No.
Administration	11	12
Distribution and selling	<u>26</u>	<u>2</u>
	<u>37</u>	<u>14</u>

**SunChoice Europe Limited**

**Notes to the Abbreviated Accounts  
for the Year Ended 31 March 2003**

**4. OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	31.3.03	31.3.02
	£	£
Other operating leases	51,043	21,290
Depreciation - owned assets	82,113	65,949
Profit on disposal of fixed assets	(12,000)	-
Audit	12,000	12,000
Investment in subsidiary written off	<u>-</u>	<u>395,826</u>
Directors' emoluments	69,848	84,034
Compensation to director for loss of office	<u>47,175</u>	<u>-</u>

The number of directors to whom retirement benefits were accruing was as follows:

	No.	No.
Money purchase schemes	<u>3</u>	<u>2</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	31.3.03	31.3.02
	£	£
Bank overdraft interest	81	280
Vat interest	<u>1,290</u>	<u>-</u>
	<u>1,371</u>	<u>280</u>

**6. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2003 nor for the year ended 31 March 2002.

**SunChoice Europe Limited**

**Notes to the Abbreviated Accounts  
for the Year Ended 31 March 2003**

**7. TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Totals £
<b>COST:</b>			
At 1 April 2002	203,469	302,941	506,410
Additions	<u>-</u>	<u>48,585</u>	<u>48,585</u>
At 31 March 2003	<u>203,469</u>	<u>351,526</u>	<u>554,995</u>
<b>DEPRECIATION:</b>			
At 1 April 2002	28,153	166,550	194,703
Charge for year	<u>13,198</u>	<u>68,915</u>	<u>82,113</u>
At 31 March 2003	<u>41,351</u>	<u>235,465</u>	<u>276,816</u>
<b>NET BOOK VALUE:</b>			
At 31 March 2003	<u>162,118</u>	<u>116,061</u>	<u>278,179</u>
At 31 March 2002	<u>175,316</u>	<u>136,391</u>	<u>311,707</u>

**8. FIXED ASSET INVESTMENTS**

The company's investments at the balance sheet date in the share capital of companies include the following:

**SunChoice UK Limited**

Nature of business: Dormant

	% holding		
Class of shares: ordinary	100.00		
		31.3.03 £	31.3.02 £
Profit for the year		<u>-</u>	<u>290,953</u>

Net assets at 31st March 2003: £Nil.

**PF Young Limited**

Nature of business: Dormant

	% holding
Class of shares: ordinary	100.00

Net assets at 31st March 2003: £Nil.

**SunChoice Services Limited**

Nature of business: Dormant

	% holding
Class of shares: ordinary	100.00

Net assets at 31st March 2003: £Nil.

**SunChoice Europe Limited**

**Notes to the Abbreviated Accounts  
for the Year Ended 31 March 2003**

**8. FIXED ASSET INVESTMENTS - continued**

**SunChoice Trading Limited**

Nature of business: Dormant

	%
Class of shares:	holding
ordinary	100.00

Net assets at 31st March 2003: £Nil.

**9. STOCKS**

	31.3.03	31.3.02
	£	£
Stock	<u>580,674</u>	<u>82,080</u>

**10. DEBTORS**

	31.3.03	31.3.02
	£	£
Amounts falling due within one year:		
Trade debtors	957,752	135,458
Amounts owed by group undertakings	-	901,491
Other debtors	24,878	497
Prepayments and accrued income	<u>220,282</u>	<u>341,222</u>
	<u>1,202,912</u>	<u>1,378,668</u>

Amounts falling due after more than one year:

Other Debtors	<u>44,231</u>	<u>47,434</u>
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Aggregate amounts

	<u>1,247,143</u>	<u>1,426,102</u>
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**11. CURRENT ASSET INVESTMENTS**

	31.3.03	31.3.02
	£	£
Unlisted investments	<u>-</u>	<u>38,000</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.03	31.3.02
	£	£
Trade creditors	369,368	64,323
Corporation tax liability	-	646
Social security and other taxes	39,662	93,974
Loan: Ashbourne Limited (See note 14.)	500,000	500,000
Accruals	<u>229,173</u>	<u>44,686</u>
	<u>1,138,203</u>	<u>703,629</u>

**SunChoice Europe Limited**

**Notes to the Abbreviated Accounts  
for the Year Ended 31 March 2003**

**13. OBLIGATIONS UNDER LEASING AGREEMENTS**

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	31.3.03 £	31.3.02 £	31.3.03 £	31.3.02 £
Expiring:				
Within one year	-	-	11,880	4,234
Between one and five years	37,337	-	-	27,364
In more than five years	<u>158,274</u>	<u>158,274</u>	<u>-</u>	<u>-</u>
	<u>195,611</u>	<u>158,274</u>	<u>11,880</u>	<u>31,598</u>

**14. SECURED DEBTS**

The following secured debts are included within creditors:

	31.3.03 £	31.3.02 £
Due to Related Parties	<u>500,000</u>	<u>500,000</u>

The above loan is secured by a fixed and floating charge over the stock and assets of the company and its subsidiaries.

**15. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	31.3.03 £	31.3.02 £
5,000,000	Ordinary Shares	£1	<u>5,000,000</u>	<u>5,000,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.03 £	31.3.02 £
3,742,000	Ordinary Shares	£1	<u>3,742,000</u>	<u>3,742,000</u>



# SunChoice Europe Limited

## Notes to the Abbreviated Accounts for the Year Ended 31 March 2003

### 16. RESERVES

	Profit and loss account £
At 1 April 2002	(2,540,157)
(Loss) for the year	<u>(191,824)</u>
At 31 March 2003	<u>(2,731,981)</u>

### 17. PENSION COMMITMENTS

The company operates a defined contribution scheme on behalf of its directors and employees. The scheme is held in a separately administered fund independent from the company. Contributions in the year amounted to £7,835 (2002:£4,620) for directors and £16,828 (2002:£8,487) for employees. At 31 March 2003 there were no accrued amounts (2002:prepaid £1,054).

### 18. ULTIMATE PARENT COMPANY

The Directors consider that at 31 March 2003 the ultimate parent undertaking of the company was SunChoice Group Limited. On the 8th April 2003 SunChoice Group Limited was sold and the new ultimate parent company is Cannon Capital Holdings Limited, a company registered in England and Wales.

### 19. POST BALANCE SHEET EVENTS

On the 8 April 2003, as a result of the sale of Sunchoice Group Limited, the ultimate parent undertaking of the company is Cannon Capital Holdings Limited, a company incorporated in England and Wales.

### 20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.03 £	31.3.02 £
Loss for the financial year	<u>(191,824)</u>	<u>(798,602)</u>
Net reduction of shareholders' funds	(191,824)	(798,602)
Opening shareholders' funds	<u>1,201,843</u>	<u>2,000,445</u>
Closing shareholders' funds	<u>1,010,019</u>	<u>1,201,843</u>
Equity interests	<u>1,010,019</u>	<u>1,201,843</u>