MCN Investments Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2009

Company Registration No 03147030

MCN Investments Limited
FINANCIAL STATEMENTS

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MCN Investments Limited
OFFICERS AND PROFESSIONAL ADVISERS

Directors	BR Cardy GJ Brasser J Koster
Secretary	WJ Pendleton
Registered Office	Atherton Road Aintree Liverpool L9 7AQ
Bankers	HBOS Douglas House 117 Foregate Street Chester CH1 1HE
Solicitors	DWF LLP 5 St Paul's Square Old Hall Street Liverpool L3 9AE
Auditors	Baker Tilly UK Audit LLP Chartered Accountants No 1 Old Hall Street Liverpool L3 9SX

MCN Investments Limited
DIRECTORS' REPORT

The directors present their report and financial statements of MCN Investments Limited for the year ended 31 December 2009

PRINCIPAL ACTIVITIES

The principal activity of the group is the manufacture and marketing of snack foods

REVIEW OF THE BUSINESS

The year under review has been satisfactory, given the competitive nature of the snack nut market and the ongoing problem of increased raw material costs Sterling's decline against the dollar also was a setback at the start of the year although a considerable amount of the requirement had been covered in the prior year at better rates

The group continues to invest in new product development and in the efficiency of its manufacturing operations The benefits of the investment are being realised through both improved productivity and reduced wastage In 2010 it will be necessary to get increased selling prices where margins have reduced due to raw material costs increases

Measures continue to be taken in an effort to achieve further cost efficiencies, particularly in relation to further improvements in productivity, wastage reduction programs and energy efficiency

Significant improvements have also been seen in the 'on time in full' delivery performance and the group has achieved its aim of providing the highest levels of customer service across the entire extensive product offering

Additional resources have also been devoted to sales and marketing activities to enable the group to maintain its sales level and margin performance despite intensive competition through focus on added value products In particular, new branded products have been listed in UK supermarkets during 2009 and a greater spread of customers has been achieved

Review of 2009 Results

Sales Turnover in the year was £18,223,984 a small decrease of £62,397 on the £18,286,381 achieved in the previous year Overall gross profit margin rates reduced however from 10 6% to 9 5% due to increased raw material costs

Raw Materials and other costs related to the production of finished goods rose by 0 9% to £16,499,103 and represented 90 5% of turnover compared to 89 4% in 2008

Distribution charges amounted to 3 05% of turnover compared to 3 87% in the previous year as a result of load efficiencies and central deliveries to some customers

Administrative expenses, which include marketing, and new product development costs, fell to 5 21% of turnover from 5 45%

Staff Costs increased by 5 9% in 2009

Profit before Interest, Tax, Depreciation and Amortisation was relatively flat at £763,807 (2008 £763,164) After depreciation and interest, the group recorded a profit on ordinary activities before taxation in the year of £123,019 (2008 £38,503)

Capital expenditure in the year was £ 314,855 (2008 £300,392)
Some zero value assets no longer in use have been shown as disposals in Note 8

REVIEW OF THE BUSINESS (continued)

Stocks of finished goods for re-sale were lower than last year at £485,383 (2008 £514,931) Stocks of Raw Materials were higher than last year at £ 1,467,434 (2008 £1,325,845)

Total Assets less Current Liabilities increased by £77,517 to £1,384,512 Bank Borrowing at the year end was considerably down at £2,119,086 (2008 £2,943,020)

A valuation of the leasehold land and buildings has been undertaken and this attributes £825,000 as the current open market value which is £250,057 higher than the current carrying value shown in Note 8

Pensions

The Trigon Snacks Pension Scheme, which with effect from 6 April 1997, provided future service benefits on a money purchase basis, was closed to new members on 1 October 2008 The Scheme was replaced by a Group Personal Pension Plan managed by Norwich Union The last valuation of the Trigon Snacks Pension Scheme was on 31 March 2008 and the actuarial opinion on that date was that the value of the assets was 100% of the liabilities of the scheme

RESULTS AND DIVIDENDS

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

The directors do not recommend the payment of a dividend (2008 £nil)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit Risk

At any one time, the group has outstanding debts due from customers The failure of an individual large customer to honour its debts or a general worsening of overdue debts could have a material impact on cash flow and results The group maintains contact with customers and regularly reviews limits, terms and aged debtors

Liquidity Risk

The group policy is to have internally generated cash and committed bank facilities to satisfy working capital requirements in the near to medium term

Cash Flow

Cash flow forecasts are prepared weekly and any facilities reviewed to cover any foreseeable funding requirements with an allowance for unforeseen events

HEDGING FORECAST TRANSACTIONS

A large proportion of the group's purchases are made in dollars The group sets internal exchange rates for determining pricing and enters into forward contracts based on forecast transactions to achieve or better these rates

DERIVATIVES

The group's local currency is pounds sterling but many of the purchases are from suppliers in the United States These purchases are denominated in US dollars As a result, the group is subject to foreign currency exchange risk due to exchange rate movements between pounds sterling and US dollars The group seeks to reduce this risk by entering into forward contracts

At the year end there were US Dollar forward currency contracts in place for $8,615,000 (2008 $6,075,000) The unrealised loss on these contracts at 31 December 2009 was £42,653 (2008 Gain £828,859)

FUTURE DEVELOPMENTS

The business is continuing with investment in capital expenditure to underpin the current and forecasted growth of the group

The directors are always looking for opportunities for organic growth

KEY PERFORMANCE INDICATORS

The group has established key performance indicators to measure the progress of the group in achieving both its business objectives and strategy The Board reviews performance against these at monthly meetings

The principal performance measures are summarised below

Sales Turnover
Our aim is to increase turnover each year through a combination of growth in volume and increased sales of higher value added items, with specific attention to new products

To focus on sales growth, the group measures sales to new customers, sales of new products to existing customers as well as the retention of existing customers comparing them against budget and prior year

Sales Margin
Our aim is to increase or maintain margins each year This is an indicator of the extent to which productivity gains and sales of higher value added products have been able to offset any cost increases In addition the principal cost elements are measured as a proportion of sales

Delivering Value to Customers
Our aim is to deliver added value to our customers through quality and product innovation We aim to maintain a high standard of customer service and measure weekly the level of 'On time in full' performance

Employee Skills and Morale
Our aim is to recruit and retain sufficient skilled and motivated employees to meet the needs of the business The required skills have been defined and are regularly re-assessed with targets set for the number of these skills per employee These form the basis for recruitment and training The requirements to meet the group's policies, procedures and practices together with assessing any training needs are achieved by periodic appraisals of employees

Cash Generation
Our aim is to generate sufficient cash to service the costs of capital and future taxation liabilities and to enable profitable re-investment in the business In addition to profit targets, measures of capital expenditure and working capital are also in place, including the number of days in relation to sales represented by stock and debtors

RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the group's performance

Global Political and Economic Conditions
Demand for the group's products is ultimately a function of economic confidence and prosperity Whilst the snack industry is forecast to continue to grow, growth can be interrupted by natural disasters, wars and acts of terrorism as well as by lower disposable incomes

The group has a wide customer base mainly in the UK and a wide range of nut and fruit based snack products and it is the group's intention to widen that customer base thus minimizing the impact of any single event

RISKS AND UNCERTAINTIES (continued)

Commercial Relationships
The group benefits from close commercial relationships with a number of key customers and suppliers The loss of any of these key customers or suppliers, or a significant worsening in commercial terms could have a material impact on results The group devotes significant resources to supporting these relationships to ensure they continue to operate satisfactorily Wherever practical, the group endeavours to maintain more than one source of a particular supply

Competitors
The group operates in a competitive market Design and product innovation, technical advances or the intensification of price competition could all affect the group's results

The group invests significant resources in engineering, marketing and research and development in order to ensure the introduction of both new products and improved production processes to remain at the forefront of developments The group continually works to streamline its cost base to ensure it remains competitive

Maintaining High Quality
The group has an established reputation for the quality of its products and suitability of its premises to manufacture such products The group has established policies and operating procedures which are periodically subject to both internal and external audit These audits, usually undertaken by professional bodies, often lead to recommendations and failure to comply with a recommendation could mean losing a customer Measurements are given to the senior management team to ascertain the level of progress made against such recommendations The Directors are aware that any lowering of quality standards that is not quickly rectified could significantly damage the group's reputation and performance

Health and Safety
A significant number of the group's employees work in a manufacturing environment in close proximity to machinery In addition to the possible injury to individuals, serious accidents could result in prosecution and fines and damage the reputation and performance of the group

The group works to identify and minimize all Health and Safety risks in order to provide a safe and healthy workplace for employees and visitors Risk assessments and workplace training is undertaken in all areas of the business The group is committed to providing a safe working environment and serious accidents are reviewed at Board level

Energy and Raw Materials
The group's products contain a number of raw materials and its operations require significant levels of energy, notably gas and electricity Any increases or volatility in prices or any prolonged interruption in supply could have a material impact on the group's results The group regularly undertakes purchasing reviews and uses forwarding buying or other contractual means where appropriate to manage the risks

DIRECTORS

The followıng dırectors have held office sınce 1 January 2009

BR Cardy
GJ Brasser
J Koster

Thırd party ındemnıty provısıon for the benefit of the dırectors was ın force durıng the financıal year

AUDITORS

Baker Tılly UK Audıt LLP has ındıcated ıts wıllıngness to contınue ın office

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The dırectors who were ın office on the date of approval of these financıal statements have confirmed, as far as they are aware, that there ıs no relevant audıt ınformatıon of whıch the audıtors are unaware Each of the dırectors have confirmed that they have taken all the steps that they ought to have taken as dırectors to make themselves aware of any relevant audıt ınformatıon and to establısh that ıt has been communıcated to the audıtor

By order of the board

WJ Pendleton
Secretary

29 Aprıl 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period

In preparing those financial statements, the directors are required to

a select suitable accounting policies and then apply them consistently,

b make judgements and accounting estimates that are reasonable and prudent,

c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCN INVESTMENTS LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 9 to 27 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As more fully explained in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit
A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/UKNP

Opinion on the financial statements
In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Baker Tilly UK Audit LLP

Mr E Robert Aitken BA ACA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
No 1 Old Hall Street
Liverpool L3 9SX

27/5/2010

MCN Investments Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2009

	Note	2009 £	2008 £
TURNOVER	1	**18,223,984**	18,286,381
Cost of sales		**(16,499,103)**	(16,345,622)
GROSS PROFIT		**1,724,881**	1,940,759
Distribution costs		**(555,758)**	(707,100)
Administrative expenses		**(949,443)**	(997,398)
OPERATING PROFIT		**219,680**	236,261
Interest payable and similar charges	2	**(96,661)**	(197,758)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	**123,019**	38,503
Taxation	5	**-**	-
PROFIT FOR THE FINANCIAL YEAR	17	**123,019**	38,503

The turnover and operating profit for the year arises from the group's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

MCN Investments Limited
CONSOLIDATED BALANCE SHEET
As at 31 December 2009

Company Registration No. 03147030

	Note	2009 £	2009 £	2008 £	2008 £
FIXED ASSETS					
Intangible assets	8		**12,000**		20,592
Tangible assets	9		**2,104,973**		2,336,772
			2,116,973		2,357,364
CURRENT ASSETS					
Stocks	10	**1,952,817**		1,840,776	
Debtors	11	**2,745,538**		3,384,006	
Cash at bank and in hand		**490**		718	
		4,698,845		5,225,500	
CREDITORS Amounts falling due within one year	12	**(5,431,306)**		(6,275,869)	
NET CURRENT LIABILITIES			**(732,461)**		(1,050,369)
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,384,512**		1,306,995
CREDITORS Amounts falling due after more than one year	13		-		(38,502)
NET ASSETS			**1,384,512**		1,268,493
CAPITAL AND RESERVES					
Called up share capital	14		**6,598,804**		6,598,804
Share premium account	15		**200,376**		207,376
Profit and loss account	16		**(5,414,668)**		(5,537,687)
SHAREHOLDERS' FUNDS			**1,384,512**		1,268,493

The financial statements on pages 9 to 27 were approved by the board of directors and authorised for issue on 29 April 2010 and are signed on its behalf by

BR Cardy
Director

MCN Investments Limited

COMPANY BALANCE SHEET

As at 31 December 2009

Company Registration No 03147030

	Note	2009 £	2009 £	2008 £	2008 £
FIXED ASSETS					
Investments	9		**1,257,821**		1,257,821
CREDITORS Amounts falling due within one year	12	**(447,710)**		(431,299)	
NET CURRENT LIABILITIES			**(447,710)**		(431,299)
TOTAL ASSETS LESS CURRENT LIABILITIES			**810,111**		826,522
CREDITORS Amounts falling due after more than one year	13		**-**		-
NET ASSETS			**810,111**		826,522
CAPITAL AND RESERVES					
Called up share capital	14		**6,598,804**		6,598,804
Share premium account	15		**200,376**		207,376
Profit and loss account	16		**(5,989,069)**		(5,979,658)
SHAREHOLDERS' FUNDS			**810,111**		826,522

The financial statements on pages 9 to 27 were approved by the board of directors and authorised for issue on 29 April 2010 and are signed on its behalf by

BR Cardy
Director

MCN Investments Limited
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2009

	Note	2009 £	£	2008 £	£
CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	19		**1,310,624**		(350,522)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid		**(88,331)**		(186,319)	
Interest element of finance lease rental payments		**(8,330)**		(11,439)	
Other financing costs		**(7,000)**		-	
CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			**(103,661)**		(197,758)
TAXATION			**-**		-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Purchase of tangible fixed assets		**(314,855)**		(300,392)	
Sale of tangible fixed assets		**5,800**		4,000	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			**(309,055)**		(296,392)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING			**897,908**		(844,672)
FINANCING					
Repayment of shareholder loan		**(10,000)**		-	
Capital element of finance lease rental payments		**(64,202)**		(77,408)	
NET CASH OUTFLOW FROM FINANCING			**(74,202)**		(77,408)
INCREASE / (DECREASE) IN CASH IN THE YEAR	20		**823,706**		(922,080)

MCN Investments Limited
CONSOLIDATED RECONCILIATIONS OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the year ended 31 December 2009

	Group		Company	
	2009	2008	**2009**	2008
	£	£	**£**	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**123,019**	38,503	**(9,411)**	(21,419)
Appropriations and related finance costs	**(7,000)**	-	**97,274**	-
Share conversion (see note 14)	**-**	2,760,000	**-**	2,760,000
NET ADDITION TO SHAREHOLDERS' FUNDS	**116,019**	2,798,503	**87,863**	2,738,581
Opening shareholders' funds	**1,268,493**	(1,530,010)	**826,522**	(1,912,059)
CLOSING SHAREHOLDERS' FUNDS	**1,384,512**	1,268,493	**914,385**	826,522

The followıng accountıng polıcıes have been applıed consıstently ın dealıng wıth ıtems whıch are consıdered materıal ın relatıon to the group's financıal statements

BASIS OF ACCOUNTING
The fınancıal statements have been prepared under the hıstorıcal cost conventıon and ın accordance wıth applıcable accountıng standards

BASIS OF CONSOLIDATION
The consolıdated fınancıal statements ıncorporate those of MCN Investments Lımıted and ıts subsıdıary undertakıng for the year Subsıdıarıes acquıred durıng the year are consolıdated usıng the acquısıtıon method Theır results are ıncorporated from the date that control passes The dıfference between the cost of acquısıtıon of shares ın subsıdıarıes and the faır value of the separable net assets acquıred ıs capıtalısed as purchased goodwıll and amortısed through the profıt and loss account over ıts estımated economıc lıfe Provısıon ıs made for any ımpaırment All fınancıal statements are made up to 31 December 2009

All ıntra-group transactıons, balances and unrealısed gaıns on transactıons between group companıes are elımınated on consolıdatıon Unrealısed losses are also elımınated unless the transactıon provıdes evıdence of an ımpaırment of the asset transferred

Where necessary, adjustments are made to the fınancıal statements of subsıdıarıes to brıng the accountıng polıcıes used ınto lıne wıth those used by other members of the group

PROFIT FOR THE FINANCIAL YEAR
As permıtted by Sectıon 408 of the Companıes Act 2006, the company has not presented ıts own profıt and loss account

GOING CONCERN
The dırectors have concluded that ıt ıs approprıate to prepare the accounts on a goıng concern basıs as fınancıal projectıons ındıcate that the group wıll contınue to trade wıthın ıts exıstıng bank overdraft facılıtıes and the bank has confırmed the avaılabılıty of current loan facılıtıes for the foreseeable future subject to no change ın the exıstıng cırcumstances

INTANGIBLE FIXED ASSETS
Purchased lıcences and trademarks are capıtalısed at theır faır value to the group on acquısıtıon Amortısatıon ıs provıded ın equal annual ınstalments over the estımated useful lıves of the assets, whıch ıs deemed to be 15 years

TANGIBLE FIXED ASSETS
Deprecıatıon ıs provıded on all tangıble fıxed assets at rates calculated to wrıte each asset down to ıts estımated resıdual value evenly over ıts expected useful lıfe as follows

Long leasehold buıldıngs	25 years
Plant and machınery	3 to 18 years
Offıce equıpment, fıxtures and fıttıngs	3 to 10 years

STOCKS
Stocks and work-ın-progress are stated at the lower of cost and net realısable value Cost ıncludes materıals, dırect labour and attrıbutable overheads Net realısable value ıs based on estımated sellıng prıce less all further costs to completıon and all relevant marketıng, sellıng and dıstrıbutıon costs

PREPAID ORIGINATION COSTS
Where the group incurs costs associated with the introduction of new products these costs are held in debtors and are amortised to the profit and loss account over the period of the introduction which is typically between 6-18 months

DEFERRED TAXATION
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

LEASE ASSETS AND OBLIGATIONS
Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright The amount capitalised is the present value of the minimum lease payments payable during the lease term The corresponding leasing commitments are shown as obligations to the lessor

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term

RETIREMENT BENEFITS
The group operates a defined contribution pension scheme The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

FOREIGN CURRENCIES
Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction All differences are taken to the profit and loss account

TURNOVER
Turnover, which is stated net of value added tax represents amounts derived from the provision of goods and services which fall within the group's ordinary activities before the deduction of sales rebates and trade discounts

1 SEGMENTAL REPORTING

The turnover and profit before tax are attributable to the one principal activity of the group

An analysis of turnover is given below

	2009	2008
	£	£
United Kingdom	**17,634,011**	17,667,866
Rest of Europe	**589,973**	618,515
	18,223,984	18,286,381

2 INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Bank loans, overdrafts and other loans repayable within five years	**78,233**	155,226
Interest payable on shareholders' loan stock	**9,411**	21,419
Interest payable on hire purchase agreements	**9,017**	21,113
	96,661	197,758

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009	2008
Profit on ordinary activities before taxation is stated after charging/(crediting)	**£**	£
Depreciation and amounts written off tangible fixed assets		
Charge for the year		
- Owned assets	**518,473**	500,393
- Leased assets	**16,642**	17,235
Amortisation of intangible assets	**8,592**	8,592
Loss on disposal of fixed asset	**5,739**	-
Foreign exchange losses/(gains)	**(535,184)**	116,157
Rentals under operating leases		
- Hire of plant and machinery	**69,865**	70,825
- Land and buildings	**100,135**	100,145
Auditors' remuneration		
- audit services – parent company and consolidation	**3,150**	3,150
- audit services – subsidiary company	**11,600**	11,600
- audit of associated pension scheme	**4,500**	3,700
- tax compliance services	**3,625**	3,000

4 EMPLOYEES

The average number of persons (including directors) employed by the group during the year was

	2009 Number	2008 Number
Production	**100**	105
Sales and distribution	**12**	13
Administration	**8**	8
	120	126

Staff costs for the above persons

	2009 £	2008 £
Wages and salaries	**2,723,585**	2,550,575
Social security costs	**245,697**	243,680
Other pension costs	**120,134**	121,413
	3,089,416	2,915,668

4 EMPLOYEES (continued)

DIRECTORS	**2009**	2008
	£	£
Emoluments	**336,969**	303,650
Money purchase pension contributions	**16,207**	16,966
	353,176	320,616

Directors' emoluments disclosed above include the following payments

	Highest paid director	
	2009	2008
	£	£
Emoluments	**159,650**	159,680
Money purchase pension contributions	**5,565**	-
	165,215	159,680

The number of directors to whom relevant benefits are accruing under company pension schemes was as follows

	2009	2008
	Number	Number
Money purchase pension schemes	**3**	3

5 TAXATION

	2009		2008	
	£	**£**	£	£
Current tax				
UK corporation tax on loss for the year	-		-	
Total current tax		-		-
Deferred tax				
Origination and reversal of timing differences	-		-	
Total deferred tax		-		-
Tax on loss on ordinary activities		-		-

The tax assessed for the year is lower (2008 lower) than the small company rate of corporation tax in the UK (21%) The differences are explained below

Factors affecting tax charge for the year	**2009**	2008
	£	£
Profit on ordinary activities before tax	**123,019**	38,503
Profit on ordinary activities multiplied by small company rate of corporation tax in the UK 21% (2008 20%)	**25,834**	7,701
Effects of		
Expenses not deductible for tax purposes	**2,335**	1,068
Depreciation in excess of capital allowances	**49,921**	40,300
Loss on disposal of eligible costs	**1,205**	137
Utilisation of tax losses	**(81,271)**	(53,489)
Non-trade loan relationship deficit	**1,976**	4,283
Current tax charge for the year	-	-

The parent company has non-trade loan relationship losses available to carry forward against future non-trade profits of approximately £143,000 (2008 £133,000)

The subsidiary company has losses available to carry forward against future profits of the same trade of approximately £823,000 (2008 £1 2million)

If the long leasehold property at Atherton Road, Aintree, Liverpool were to be sold for £825,000, being the current market value as valued by Edward Symmons, Chartered Surveyors, the potential capital loss available to carry forward against any future capital gains would be approximately £164,476

6 PARENT COMPANY LOSS

The parent company's loss after tax was £9,411 (2008 loss £21,419)

7 INTANGIBLE FIXED ASSETS

Group	Licence agreements £
Cost	
At beginning and end of year	129,200
Amortisation	
At beginning of year	108,608
Charge for the year	8,592
At end of year	117,200
Net book value	
At 31 December 2009	**12,000**
At 31 December 2008	20,592

8 TANGIBLE FIXED ASSETS

Group	Long leasehold buildings	Plant and machinery	Total
	£	£	£
Cost			
At beginning of year	922,258	6,505,529	7,427,787
Additions	67,218	247,637	314,855
Disposals	-	(1,286,259)	(1,286,259)
At end of year	989,476	5,466,907	6,456,383
Accumulated depreciation			
At beginning of year	380,280	4,710,735	5,091,015
Charge for the year	34,253	500,862	535,115
Disposals	-	(1,274,720)	(1,274,720)
At end of year	414,533	3,936,877	4,351,410
Net book value			
At 31 December 2009	**574,943**	**1,530,030**	**2,104,973**
At 31 December 2008	541,978	1,794,794	2,336,772

The net book value of plant and machinery includes £27,235 (2008 £83,128) in respect of assets held under finance leases and hire purchase contracts The depreciation charge in respect of these assets was £16,642 (2008 £17,235)

On 31 March 2010 the long leasehold buildings were valued at an open market value of £825,000 by Edward Symmons (Chartered Surveyors and Property Consultants) This value has not been reflected in the above note

9 INVESTMENTS

Company	**Investment in subsidiaries**
	£
Cost	
At beginning and end of year	3,972,511
Provisions	
At beginning and end of year	2,714,690
Net book value	
At 31 December 2009	**1,257,821**
At 31 December 2008	1,257,821

The company holds more than 20% of the equity (and no other share or loan capital) of the following undertakings

Subsidiary undertaking	*Country of registration*	*Principal activity*	*Class and percentage of shares held*
Trigon Snacks Limited	United Kingdom	Manufacture of snack foods	100% ordinary
The Boston Food Company Limited	United Kingdom	Dormant	100% ordinary
MCN Food Company Limited	United Kingdom	Dormant	100% ordinary

10 STOCKS

	Group	
	2009	2008
	£	£
Raw materials and consumables	**1,467,434**	1,325,845
Finished goods	**485,383**	514,931
	1,952,817	1,840,776

11 DEBTORS

	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Trade debtors	**2,436,161**	2,946,676	-	-
Other debtors	**27,590**	50,059	-	-
Prepayments and accrued income	**281,787**	387,271	-	-
	2,745,538	3,384,006	-	-

12 CREDITORS Amounts falling due within one year

	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Bank overdrafts	**2,119,086**	2,943,020	-	-
Other loans	**289,992**	299,992	**289,992**	299,992
Finance leases and hire purchase contracts	**39,919**	65,619	-	-
Trade creditors	**2,097,104**	1,937,722	-	-
Amounts due to group undertakings	-	-	**104,276**	2
Other taxation and social security costs	**79,657**	77,563	-	-
Other creditors	**57,018**	49,642	-	-
Accruals and deferred income	**748,530**	902,311	**53,442**	131,305
	5,431,306	6,275,869	**447,710**	431,299

Other loans represents an unsecured loan made by shareholders to the company which accrues interest at a rate of 2 5% over HBOS base rate and is repayable on demand subject to agreement with the bank £53,442 (2008 £131,305) is included in accruals and deferred income in respect of this interest Upon agreement with the bank a redemption premium of 30% will be payable As the loan is for no fixed term and repayment is not envisaged at present, no allowance has been made for the finance cost inherent within the repayment premium

There is a debenture securing all monies, in favour of Bank of Scotland over the whole assets of the group

Standard security in favour of Bank of Scotland has been granted over long leasehold buildings

13 CREDITORS Amounts falling due after more than one year

	Group		Company	
	2009	2008	**2009**	2008
	£	£	**£**	£
Finance lease and hire purchase contracts	-	38,502	-	-
	-	38,502	-	-

The obligations under finance leases and hire purchase contracts are secured over the assets to which they relate In the current year they fall due within 1 year

14 CALLED UP SHARE CAPITAL

	2009	2008
	£	£
Authorised		
3,897,059 ordinary shares of £1 each	**3,897,059**	3,897,059
4,698,804 new ordinary shares of £1 each	**4,698,804**	4,698,804
	8,595,863	8,595,863
Called up, allotted and fully paid		
1,900,000 ordinary shares of £1 each	**1,900,000**	1,900,000
4,698,804 new ordinary shares of £1 each	**4,698,804**	4,698,804
	6,598,804	6,598,804

In December 2008 a subscription agreement was signed with the following terms

- The company's Preference Shares and A Preference Shares were converted on a one-to-one basis into 2,998,235 New Ordinary Shares of £1 each

- The Preference Shareholders and the A Preference Shareholders agreed to waive all and any claims against the company to the Preference Shareholders' entitlement and all and any claims to dividends and interest on the Preference Shares and the A Preference Shares

- In consideration of the above waivers the company issued, fully paid, 1,700,569 New Ordinary Shares of £1 each

15 RESERVES

	Share premium account	
	Group	**Company**
	£	£
At beginning of year	207,376	207,376
Cost of share issue	(7,000)	(7,000)
At end of year	**200,376**	**200,376**

16 PROFIT AND LOSS ACCOUNT

	Group	**Company**
	£	£
At beginning of year	(5,537,687)	(5,979,658)
Profit/(loss) for the financial year	123,019	(9,411)
At end of year	**(5,414,668)**	**(5,989,069)**

17 CAPITAL COMMITMENTS

	Group	
	2009	2008
	£	£
Capital expenditure contracted for but not provided in the financial statements	**30,100**	20,415

18 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2009, the group was committed to making the following payments during the next year under non-cancellable operating leases as follows

	2009		2008	
	Land and buildings	**Other**	Land and buildings	Other
	£	£	£	£
Expiring within one year	-	**5,492**	-	9,243
Expiring between two and five years	**100,135**	**59,649**	105,000	20,660
	100,135	**65,141**	105,000	29,903

19 RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2009 £	Group 2008 £
Operating profit	**219,680**	236,261
Depreciation	**535,115**	517,628
Amortisation	**8,592**	8,592
Loss on sale of fixed asset	**5,739**	-
Increase in stock	**(112,041)**	(459,123)
Decrease/(increase) in debtors	**638,468**	(600,703)
Increase/(decrease) in creditors	**15,071**	(53,177)
	1,310,624	(350,522)

20 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	£
INCREASE IN CASH IN THE YEAR	823,706
Cash outflow from decrease in debt	74,202
Change in net debt resulting from cash flows	897,908
MOVEMENT IN THE YEAR	897,908
Net debt at beginning of year	(3,346,415)
NET DEBT AT END OF YEAR	**(2,448,507)**

21 ANALYSIS OF NET DEBT

	At 1 January 2009 £	Cashflow £	Other non-cash changes £	At 31 December 2009 £
Overdraft	(2,943,020)	823,934	-	**(2,119,086)**
Cash at bank and in hand	718	(228)	-	**490**
	(2,942,302)	823,706	-	**(2,118,596)**
Finance leases and hire purchase contracts	(104,121)	64,202	-	**(39,919)**
Debt due within one year	(299,992)	10,000	-	**(289,992)**
Net debt	(3,346,415)	897,908	-	**(2,448,507)**

22 CONTINGENT LIABILITY

The company is part of a cross corporate guarantee dated 24 April 1996, together with other group companies, held by HBOS The company's contingent liability in respect of this guarantee is approximately £2 1 million

23 RETIREMENT BENEFITS

The group operates a defined contribution pension scheme The pension cost charge for the year represents contributions payable by the group and amounts to £120,134 (2008 £121,413) There were no outstanding or prepaid contributions at either the start or end of the year

24 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the MCN Investments Limited group

Other related parties, their relationship and transactions are as follows:

Party	**Relationship**	**Amount**
Vreedenlust Fund 2BV	Shareholder	£128,000
Brasland BV	Shareholder	£22,000
Plantation UA	Shareholder	£90,000
Mr Cardy	Shareholder/ Director	£50,000
Mr Hill	Shareholder	£10,000

The above shareholders provided a loan to the company in 2004 of £299,992 Interest of £9,411 was charged on the loan in the year and accrued interest payments made during the year totalled £83,259 Remaining interest accrued as at the 31 December 2009 is £63,600 A capital repayment of £10,000 was made to D Hill leaving D Hill's balance at £nil and the total balance outstanding for the remaining shareholders at the 31 December 2009 of £289,992 The maximum balance outstanding during the year was £299,992