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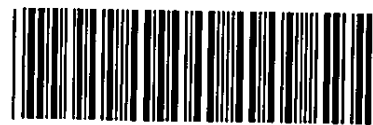
**Tyrrells Potato Chips Limited**

**Abbreviated Financial Statements**

**Year Ended**

**31 March 2008**

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# **Tyrrells Potato Chips Limited**

## **Abbreviated financial statements for the year ended 31 March 2008**

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### **Contents**

#### **Page:**

1	Report of the directors
4	Independent auditor's report
5	Profit and loss account
6	Balance sheet
7	Cash flow statement
8	Notes forming part of the financial statements

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### **Directors**

J J Jones  
L M Sayers

### **Secretary and registered office**

J J Jones, Tyrrells Court, Stretford Bridge, Leominster, Hereford, HR6 9DQ

### **Company number**

4339626

### **Auditors**

BDO Stoy Hayward LLP, 125 Colmore Row, Birmingham, B3 3SD

## **Tyrrells Potato Chips Limited**

### **Report of the directors for the year ended 31 March 2008**

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The directors present their report together with the audited financial statements for the year ended 31 March 2008.

#### **Results**

The profit and loss account is set out on page 5 and shows the profit for the year.

#### **Principal activities, review of business and future developments**

##### *Principal Activities*

The company is engaged in the manufacture of potato and vegetable chips for the sale to customers in the UK and overseas. There have been no changes in the company's activities in the year under review.

##### *Review of the business*

Turnover has increased due mainly to growth in the company's larger retail accounts and continued expansion of export business; particularly mainland Europe and USA.

Net profit increased in the year by £1.02m to £1.9m. Efficiencies gained from increased volumes and the continued expansion of the company's factory facilities have led to a continued strong gross margin despite the downward pressure of increasing commodity prices. Overheads have increased by £1.23m reflecting continued investment in sales and promotional activity and the increase in expenditure relating to non-trading properties. These properties were transferred out of the company on 11 April 2008.

The directors do not recommend the payment of a dividend.

On 11 April 2008 the company was sold to Tyrrells Group Holdings Limited.

##### *Principal risks and uncertainties, and financial instruments*

Despite the fact that the hand-cooked crisp market remains increasingly competitive, the company continues to increase its market share by concentrating on the unique selling points of the business, principally the use of potatoes from its own farm to produce a more natural and high-quality chip. The company also seeks competitive advantage by remaining innovative, regularly launching new flavours and healthier alternatives, and concentrating on the environmental issues that affect the business.

The risk of the company to increasing commodity prices is minimised by using dual suppliers and regularly renegotiating agreements with its key suppliers. The company also continues to research more cost effective and environmental methods of supply.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by the regular monitoring of accounts against agreed credit terms and limits.

The company monitors cash flow as part of its day to day control procedures. The management team considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

The company considers its exchange risk to be minimal with European sales made in Euros accounting for just 6% of its total turnover. Exchange rates are monitored regularly and any significant change in the Euro would be adjusted for by the renegotiation of prices. All other sales are made in GBP sterling.

## **Tyrrells Potato Chips Limited**

### **Report of the directors for the year ended 31 March 2008 (*Continued*)**

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The company had £4.2m of bank loans and overdrafts outstanding at the balance sheet date. These were repaid in full on 14 April 2008 as part of the agreement relating to the sale of the company to Tyrrells Group Holdings Limited on 11 April 2008.

#### **Directors**

The directors of the company during the year were:

WL Chase                      (Resigned 11 April 2008)

Subsequent to the year end, on 11 April 2008, J J Jones and L M Sayers were appointed as directors.

#### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 year. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**Tyrrells Potato Chips Limited**

**Report of the directors for the year ended 31 March 2008 (*Continued*)**

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**Auditors**

The directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**By order of the board**



J J Jones

**Secretary**

26 January 2009

## **Tyrrells Potato Chips Limited**

### **Independent auditor's report**

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#### **Independent auditor's report to Tyrrells Potato Chips Limited under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes together with the financial statements of the company for the year ended 31 March 2008 prepared under section 226 of the Companies Act 1985.

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

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with that provision and to report our opinion to you.

Our report has been prepared pursuant to the requirements of Section 247B of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of Section 247B of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of opinion*

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the full financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered have been 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 financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements have been properly prepared in accordance with that provision.

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors  
Birmingham*

Date: *27 January 2009*

**Tyrrells Potato Chips Limited****Profit and loss account for the year ended 31 March 2008**

	Note	2008 £	2007 £
<b>Gross profit</b>		<b>7,170,918</b>	4,395,596
Administrative expenses - including exceptional costs of £127,578 (2007 - £NIL)	4	<b>4,094,547</b>	2,739,164
<b>Operating profit</b>	2	<b>3,076,371</b>	1,656,432
Interest payable and similar charges	6	<b>(363,540)</b>	(364,092)
<b>Profit on ordinary activities before taxation</b>		<b>2,712,831</b>	1,292,340
Taxation on profit on ordinary activities	7	<b>809,704</b>	405,256
<b>Profit on ordinary activities after taxation</b>		<b>1,903,127</b>	887,084
Retained profit brought forward		<b>3,003,941</b>	2,116,857
<b>Retained profit carried forward</b>		<b>4,907,068</b>	3,003,941

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year.

The notes on pages 8 to 20 form part of these financial statements.

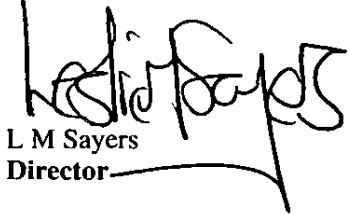
**Tyrrells Potato Chips Limited**

**Balance sheet at 31 March 2008**

	Note	2008 £	2008 £	2007 £	2007 £
<b>Fixed assets</b>					
Tangible assets	8		2,968,982		7,700,953
<b>Current assets</b>					
Stocks	9	418,725		314,971	
Debtors	10	9,280,361		2,158,670	
Cash at bank and in hand		36,489		4,479	
		<u>9,735,575</u>		<u>2,478,120</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>7,390,019</u>		<u>3,489,500</u>	
<b>Net current assets/(liabilities)</b>			<u>2,345,556</u>		<u>(1,011,380)</u>
<b>Total assets less current liabilities</b>			<u>5,314,538</u>		<u>6,689,573</u>
<b>Creditors: amounts falling due after more than one year</b>	12	155,595		3,438,757	
<b>Provisions for liabilities</b>	13	<u>250,000</u>		<u>245,000</u>	
			<u>405,595</u>		<u>3,683,757</u>
			<u>4,908,943</u>		<u>3,005,816</u>
<b>Capital and reserves</b>					
Called up share capital	14		1,875		1,875
Profit and loss account			4,907,068		3,003,941
<b>Shareholders' funds</b>	15		<u>4,908,943</u>		<u>3,005,816</u>

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

The financial statements were approved by the board of directors and authorised for issue on 26 January 2009.

  
L M Sayers  
Director

  
J J Jones  
Director

The notes on pages 8 to 20 form part of these financial statements.



**Tyrrells Potato Chips Limited**

**Cash flow statement for the year ended 31 March 2008**

	Note	2008 £	2008 £	2007 £	2007 £
<b>Net cash inflow from operating activities</b>	19		<b>963,827</b>		<b>1,494,431</b>
<b>Returns on investments and servicing of finance</b>					
Interest paid: other		(323,609)		(353,096)	
Interest paid: hire purchase		(39,931)		(10,996)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			<b>(363,540)</b>		<b>(364,092)</b>
<b>Taxation</b>					
Corporation tax paid			(375,490)		(383,523)
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(639,846)		(1,230,437)	
Receipts from sale of tangible fixed assets		1,470,755		221,366	
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>			<b>830,909</b>		<b>(1,009,071)</b>
<b>Cash inflow/(outflow) before financing</b>			<b>1,055,706</b>		<b>(262,255)</b>
<b>Financing</b>					
New loans		-		402,109	
Loans repaid		(1,086,897)		(516,107)	
Capital element of finance leases repaid		(88,573)		(128,770)	
<b>Net cash outflow from financing</b>			<b>(1,175,470)</b>		<b>(242,768)</b>
<b>Decrease in cash</b>	20		<b>(119,764)</b>		<b>(505,023)</b>

The notes on pages 8 to 20 form part of these financial statements.

## **1 Accounting policies**

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

The following principal accounting policies have been applied:

### *Going concern*

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review on page 1.

The company is currently generating sufficient cash flow from its operating activities to satisfy its day to day working capital requirements. It also has available an invoice discounting facility of £2m, due for renewal in August 2011, although it has not had to make use of this facility to date. The company is also funded by long term loans totalling £14m issued to the group on 11 April 2008, repayable over 7–9 years.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the terms of its current facility.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	- 10 % on cost
Plant and machinery etc	- 15% on written down value
Motor vehicles	- 25% on written down value
Furniture, fixtures and office equipment	- 15% on written down value

### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

### *Consignment stock*

Consignment stock is held on the balance sheet when the terms of agreement indicate that the principal risks and rewards of ownership rest with the company.

**1 Accounting policies (*continued*)**

*Foreign currency*

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

*Research and development*

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred.

*Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

*Leased assets*

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 amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

## **Tyrrells Potato Chips Limited**

### **Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)**

#### **2 Operating profit**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
This is arrived at after charging:		
Research and development - current year's expenditure	<b>1,503</b>	5,784
Depreciation of tangible fixed assets	<b>454,796</b>	371,887
Hire of plant and machinery - operating leases	<b>21,963</b>	37,844
Hire of other assets - operating leases	<b>109,770</b>	120,846
Audit services	<b>9,000</b>	8,000
Non-audit services - taxation	<b>51,479</b>	28,780
	<b>=====</b>	<b>=====</b>

#### **3 Employees**

Staff costs (including directors) consist of:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,201,831</b>	1,262,188
Social security costs	<b>217,544</b>	115,240
	<b>=====</b>	<b>=====</b>
	<b>2,419,375</b>	1,377,428
	<b>=====</b>	<b>=====</b>

The average number of employees (including directors) during the year was as follows:

	<b>2008</b>	<b>2007</b>
	<b>Number</b>	<b>Number</b>
Production	<b>53</b>	32
Warehouse and distribution	<b>13</b>	10
Sales and marketing	<b>14</b>	9
Office and administration	<b>13</b>	8
	<b>=====</b>	<b>=====</b>
	<b>93</b>	59
	<b>=====</b>	<b>=====</b>

#### **4 Exceptional item**

The exceptional expense of £127,578 (2007 - £nil) relates to a provision against a debt which the directors consider to be doubtful.

# **Tyrrells Potato Chips Limited**

## **Notes forming part of the financial statements for the year ended 31 March 2008 (*Continued*)**

### **5 Directors' remuneration**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>115,772</b>	<b>106,375</b>

### **6 Interest payable and similar charges**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>282,059</b>	<b>333,053</b>
Finance leases and hire purchase contracts	<b>39,931</b>	<b>10,996</b>
Exchange losses	<b>-</b>	<b>667</b>
Other interest payable	<b>41,550</b>	<b>19,376</b>
	<b>363,540</b>	<b>364,092</b>

# Tyrrells Potato Chips Limited

## Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)

### 7 Taxation on profit on ordinary activities

	2008 £	2008 £	2007 £	2007 £
<i>UK Corporation tax</i>				
Current tax on profits of the year	804,224		345,000	
Adjustment in respect of previous periods	480		(244)	
	<u>          </u>		<u>          </u>	
Total current tax		804,704		344,756
<i>Deferred tax</i>				
Origination and reversal of timing differences		5,000		60,500
		<u>          </u>		<u>          </u>
Taxation on profit on ordinary activities		809,704		405,256
		<u>          </u>		<u>          </u>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	2,712,831	1,292,340
	<u>          </u>	<u>          </u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2007 - 30%)	813,849	387,702
Effect of:		
Expenses not deductible for tax purposes	22,080	16,120
Capital allowances for period in excess of depreciation	(9,966)	(58,806)
Adjustment to tax charge in respect of previous periods	480	(244)
(Under)/over provision in current year	287	(16)
Indexation allowance	(28,542)	-
Capital losses	16,854	-
Group relief	(10,338)	-
	<u>          </u>	<u>          </u>
Current tax charge for period	804,704	344,756
	<u>          </u>	<u>          </u>

**Tyrrells Potato Chips Limited**

**Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)**

**8 Tangible fixed assets**

	<b>Freehold land and buildings £</b>	<b>Leasehold improvements £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<i>Cost</i>						
At 1 April 2007	4,746,612	976,073	2,169,980	458,946	105,568	8,457,179
Additions	451,775	81,472	203,865	96,189	38,705	872,006
Disposals	(5,198,387)	-	-	-	-	(5,198,387)
At 31 March 2008	-	<b>1,057,545</b>	<b>2,373,845</b>	<b>555,135</b>	<b>144,273</b>	<b>4,130,798</b>
<i>Depreciation</i>						
At 1 April 2007	49,206	54,871	481,505	142,281	28,363	756,226
Provided for the year	-	89,183	264,554	85,774	15,285	454,796
Disposals	(49,206)	-	-	-	-	(49,206)
At 31 March 2008	-	<b>144,054</b>	<b>746,059</b>	<b>228,055</b>	<b>43,648</b>	<b>1,161,816</b>
<i>Net book value</i>						
At 31 March 2008	-	<b>913,491</b>	<b>1,627,786</b>	<b>327,080</b>	<b>100,625</b>	<b>2,968,982</b>
At 31 March 2007	4,697,406	921,202	1,688,475	316,665	77,205	7,700,953

## **Tyrrells Potato Chips Limited**

### **Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)**

#### **8 Tangible fixed assets (continued)**

The net book value of tangible fixed assets includes an amount of £417,137 (2007 - £266,677) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £76,675 (2007 - £65,741).

#### **9 Stocks**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	<b>418,725</b>	<b>314,971</b>

There is no material difference between the replacement cost of stocks and the amounts stated above.

#### **10 Debtors**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>2,515,695</b>	<b>1,645,043</b>
Amounts owed by group undertakings	<b>193,611</b>	<b>17,414</b>
Amounts owed by associated undertakings	<b>5,551,734</b>	<b>-</b>
Director's loan account	<b>675,981</b>	<b>345,914</b>
Other debtors	<b>3,432</b>	<b>-</b>
Prepayments and accrued income	<b>339,908</b>	<b>150,299</b>
	<b>9,280,361</b>	<b>2,158,670</b>

All amounts shown under debtors fall due for payment within one year.

The director's loan account of £675,981 (2007 - £345,914) represents an amount due from W L Chase. The maximum amount outstanding during the year was £675,981 (2007 - £345,914). The loan account was repaid in full on 11 April 2008.



**Tyrrells Potato Chips Limited****Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)****11 Creditors: amounts falling due within one year**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank loans (secured) and overdrafts	<b>4,201,860</b>	1,803,103
Trade creditors	<b>1,164,644</b>	659,250
Amounts owed to associated undertakings	<b>113,889</b>	321,973
Taxation and social security	<b>984,151</b>	440,353
Obligations under finance lease and hire purchase contracts	<b>175,724</b>	82,855
Other creditors	<b>-</b>	4,986
Accruals and deferred income	<b>749,751</b>	176,980
	<b>7,390,019</b>	3,489,500

The bank loans are secured by fixed charges over the properties and equipment to which they relate.

# **Tyrrells Potato Chips Limited**

## **Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)**

### **12 Creditors: amounts falling due after more than one year**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank loans (secured)	-	3,333,880
Obligations under finance lease and hire purchase contracts	<b>155,595</b>	104,877
	<u><b>155,595</b></u>	<u><b>3,438,757</b></u>

#### **Maturity of debt:**

	<b>Loans and overdrafts 2008 £</b>	<b>Loans and overdrafts 2007 £</b>	<b>Finance leases 2008 £</b>	<b>Finance leases 2007 £</b>
In one year or less, or on demand	<b>4,201,860</b>	1,803,103	<b>175,724</b>	82,855
In more than one year but not more than two years	-	469,838	<b>63,240</b>	83,805
In more than two years but not more than five years	-	1,149,367	<b>92,355</b>	21,072
In more than five years	-	1,714,675	-	-
	<u><b>-</b></u>	<u><b>3,333,880</b></u>	<u><b>155,595</b></u>	<u><b>104,877</b></u>

The bank loans are secured by fixed charges over the properties and equipment to which they relate. Interest is charged on these loans at various rates ranging from 1.1% to 1.85% above bank base rate. The loans and overdrafts were all repaid subsequent to year end, on 14 April 2008.

**Tyrrells Potato Chips Limited**

**Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)**

**13 Provisions for liabilities**

	<b>Deferred taxation £</b>
At 1 April 2007	245,000
Charged to profit and loss account	5,000
	<hr/>
At 31 March 2008	<b>250,000</b>
	<hr/>
<i>Deferred taxation</i>	
	<b>2008 £</b>
	<b>2007 £</b>
Accelerated capital allowances	<b>250,000</b>
	<hr/>
	<hr/>

**14 Share capital**

	<b>2008 £</b>	<b>Authorised 2007 £</b>	<b>Allotted, called up and fully paid 2008 £</b>	<b>2007 £</b>
20,000 Ordinary shares of £1 each	<b>20,000</b>	20,000	<b>1,875</b>	1,875
	<hr/>	<hr/>	<hr/>	<hr/>

**15 Reconciliation of movements in shareholders' funds**

	<b>2008 £</b>	<b>2007 £</b>
Profit for the year	<b>1,903,127</b>	887,084
Issue of shares	-	875
Shares redeemed	-	(875)
Opening shareholders' funds	<b>3,005,816</b>	2,118,732
	<hr/>	<hr/>
Closing shareholders' funds	<b>4,908,943</b>	3,005,816
	<hr/>	<hr/>

## **Tyrrells Potato Chips Limited**

Notes forming part of the financial statements for the year ended 31 March 2008 *(Continued)*

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### **16 Contingent liabilities**

During the year, the company entered into an agreement to guarantee the bank borrowings of its immediate parent undertaking, Tyrrells Group Limited and the following companies which were under common control with Tyrrells Potato Chips Limited: Williams Chase Distillery Limited and Chase Farm Limited. At 31 March 2008 the contingent liability in respect of this arrangement amounted to £3,607,330.

The guarantee in respect of Chase Distillery Limited and Chase Farm Limited was discharged subsequent to the balance sheet date, on 11 April 2008.

### **17 Commitments under operating leases**

The company had annual commitments under non-cancellable operating leases as set out below:

	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
	<b>Land and</b>	<b>Other</b>	<b>Land and</b>	<b>Other</b>
	<b>buildings</b>		<b>buildings</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire:				
In two to five years	-	52,315	-	53,144
After five years	120,000	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### **18 Post balance sheet events**

On 11 April 2008 the company was sold to Tyrrells Group Holdings Limited.

On 14 April 2008 the bank loans and overdrafts amounting to £4,201,860 were repaid in full.

**Tyrrells Potato Chips Limited**

Notes forming part of the financial statements for the year ended 31 March 2008 (*Continued*)

**19 Reconciliation of operating profit to net cash inflow from operating activities**

	2008 £	2007 £
Operating profit	3,076,371	1,656,432
Exceptional items included in operating profit	127,578	-
	<hr/>	<hr/>
Operating profit before exceptional items	3,203,949	1,656,432
Depreciation of tangible fixed assets	454,796	371,887
(Profit)/loss on sale of tangible fixed assets	(171,574)	34,591
Increase in stocks	(103,754)	(47,771)
Increase in debtors	(3,160,463)	(781,587)
Increase in creditors	868,451	260,879
	<hr/>	<hr/>
	1,091,405	1,494,431
Cash outflow relating to exceptional items	(127,578)	-
	<hr/>	<hr/>
Net cash inflow from operating activities	963,827	1,494,431
	<hr/>	<hr/>

**20 Reconciliation of net cash flow to movement in net debt**

	2008 £	2007 £
Decrease in cash	(119,764)	(505,023)
Cash outflow from changes in debt	1,175,470	242,768
	<hr/>	<hr/>
Movement in net debt resulting from cash flows	1,055,706	(262,255)
Inception of finance leases	(232,160)	(229,577)
	<hr/>	<hr/>
Movement in net debt	823,546	(491,832)
Opening net debt	(5,320,236)	(4,828,404)
	<hr/>	<hr/>
Closing net debt	(4,496,690)	(5,320,236)
	<hr/>	<hr/>

# **Tyrrells Potato Chips Limited**

## **Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)**

### **21 Analysis of net debt**

	<b>At 1 April 2007 £</b>	<b>Cash flow £</b>	<b>Other non- cash items £</b>	<b>At 31 March 2008 £</b>
Cash at bank and in hand	4,479	32,010	-	<b>36,489</b>
Bank overdrafts	(1,318,806)	(151,774)	-	<b>(1,470,580)</b>
		<u>(119,764)</u>		
Debt due within one year	(484,297)	1,086,897	(3,333,880)	<b>(2,731,280)</b>
Debt due after one year	(3,333,880)	-	3,333,880	<b>-</b>
Finance leases	(187,732)	88,573	(232,160)	<b>(331,319)</b>
		<u>1,175,470</u>		
<b>Total</b>	<b>(5,320,236)</b>	<b>1,055,706</b>	<b>(232,160)</b>	<b>(4,496,690)</b>

### **22 Ultimate parent company and parent undertaking of larger group**

The ultimate parent undertaking is Tyrrells Group limited, which is incorporated in the United Kingdom.

Subsequent to the year end, on 11 April 2008, Tyrrells Group Limited was acquired by Tyrrells Group Holdings Limited.