

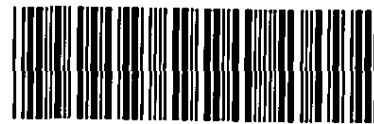
# COMPLAN FOODS LIMITED

## FINANCIAL STATEMENTS

PERIOD FROM 30 JULY 2006 TO

28 JULY 2007

THURSDAY



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# COMPLAN FOODS LIMITED

## FINANCIAL STATEMENTS

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

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# COMPLAN FOODS LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

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### THE BOARD OF DIRECTORS

Mr A Leek  
Ms K Naylor  
Mr W Muirhead  
Ms C Page  
Mr W Abbott

### COMPANY SECRETARY

Mr A Leek

### REGISTERED OFFICE

Heathrow Business Centre  
65 High Street  
Egham  
Surrey  
TW20 9EY

### AUDITOR

Menzies  
Chartered Accountants  
& Registered Auditors  
Heathrow Business Centre  
65 High Street  
Egham  
Surrey  
TW20 9EY

### BANKERS

Bank of Scotland Plc  
14 - 16 Cockspur Street  
London  
SW1Y 5BL

### SOLICITORS

Olswang  
90 High Holborn  
London  
WC1V 6XX

# **COMPLAN FOODS LIMITED**

## **THE DIRECTORS' REPORT**

**PERIOD FROM 30 JULY 2006 TO 28 JULY 2007**

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The directors present their report and the financial statements of the company for the period from 30 July 2006 to 28 July 2007

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was as a marketer of vitamin and mineral fortified food products

Over the year, the company has continued to review and update its marketing plans for its brands. This has included the launch of Complan Shake, an evolved and prescribable version of the core Complan product for the UK market. So far this product is meeting our expectations.

The directors use a number of measures, both financial and non-financial to monitor and benchmark the performance of the company. They regard the following as the key financial indicators of performance:

Company sales fell by 6.5% to £5.55m (2006: £5.94m), while a strong control on costs increased operating profit by 31.9% to £0.69m (2006: £0.52m).

During the year an aborted acquisition cost the company £0.07m in fees and there will be a further charge next year.

Complan has a strong market position in many of its 15 territories. The background of higher raw material prices which the whole food industry is facing means that 2008 will bring fresh challenges for the business. Management believe that the launch of Complan Shake has set the business on a strong path for future growth.

### **RESULTS AND DIVIDENDS**

The profit for the period, after taxation, amounted to £70,172. The directors have not recommended a dividend.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company uses a variety of financial instruments including cash and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

#### **Market risk**

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The company's policies for managing cash flow interest rate risk is set out in the subsection entitled "interest rate risk" below.

#### **Currency risk**

The company is not significantly exposed to translation and transaction foreign exchange risk as the main trading currency is sterling.

#### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

#### **Interest rate risk**

The company finances its operations through a mixture of retained profits and bank borrowings. Bank borrowings carry both variable and fixed interest rates.

#### **Credit risk**

The principal credit risk arises from its trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

# COMPLAN FOODS LIMITED

## THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

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### DIRECTORS

The directors who served the company during the period were as follows

Mr A Leek  
Ms K Naylor  
Mr W Muirhead  
Ms C Page  
Mr W Abbott  
Dr S C Turner

Ms C Page was appointed as a director on 7 December 2006

Mr W Abbott was appointed as a director on 13 August 2006

Dr S C Turner resigned as a director on 17 November 2006

### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 these 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 that 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### DONATIONS

During the period the company made the following contributions

	Period from 30 July 2006 to 28 July 2007 £	Period from 25 July 2005 to 29 July 2006 £
Charitable	200	512

# COMPLAN FOODS LIMITED

## THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

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### AUDITOR

A resolution to appoint Menzies as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Registered office  
Heathrow Business Centre  
65 High Street  
Egham  
Surrey  
TW20 9EY

Signed by order of the directors



Mr A Leek  
Company Secretary

Approved by the directors on 24/1/08

# COMPLAN FOODS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF COMPLAN FOODS LIMITED

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

We have audited the financial statements of Complan Foods Limited for the period from 30 July 2006 to 28 July 2007 on pages 6 to 17, which have been prepared on the basis of the accounting policies set out on page 9

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

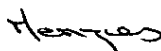
### OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 July 2007 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Heathrow Business Centre  
65 High Street  
Egham  
Surrey  
TW20 9EY

25/1/08



MENZIES  
Chartered Accountants  
& Registered Auditors

# COMPLAN FOODS LIMITED

## PROFIT AND LOSS ACCOUNT

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

	Note	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
<b>TURNOVER</b>	<b>2</b>	5,553,186	5,944,074
Cost of sales		2,896,988	3,204,538
<b>GROSS PROFIT</b>		2,656,198	2,739,536
Administrative expenses		1,964,150	2,214,702
<b>OPERATING PROFIT</b>	<b>3</b>	692,048	524,834
Exceptional item	<b>6</b>	(65,355)	-
		626,693	524,834
Interest receivable		40,773	19,754
Interest payable and similar charges	<b>7</b>	(510,922)	(640,422)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		156,544	(95,834)
Tax on profit/(loss) on ordinary activities	<b>8</b>	86,372	(20,402)
<b>PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</b>		70,172	(75,432)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above

The notes on pages 9 to 17 form part of these financial statements.



# COMPLAN FOODS LIMITED

## BALANCE SHEET

28 JULY 2007

	Note	28 Jul 07 £	£	29 Jul 06 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		5,664,082		6,041,686
<b>CURRENT ASSETS</b>					
Stocks	10	485,070		408,070	
Debtors	11	1,455,721		1,121,056	
Cash at bank		1,000,000		765,066	
		<u>2,940,791</u>		<u>2,294,192</u>	
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>2,226,339</u>		<u>1,503,401</u>	
<b>NET CURRENT ASSETS</b>			714,452		790,791
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>6,378,534</u>		<u>6,832,477</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14		5,873,651		6,397,766
			<u>504,883</u>		<u>434,711</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	18		980,000		980,000
Profit and loss account	19		(475,117)		(545,289)
<b>SHAREHOLDERS' FUNDS</b>	20		<u>504,883</u>		<u>434,711</u>

These financial statements were approved by the directors and authorised for issue on 25/1/08, and are signed on their behalf by



Mr A Leek

# COMPLAN FOODS LIMITED

## CASH FLOW STATEMENT

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

	Note	Period from 30 Jul 06 to 28 Jul 07		Period from 25 Jul 05 to 29 Jul 06	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	21		774,058		1,007,675
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21		(470,149)		(620,668)
CASH INFLOW BEFORE FINANCING			303,909		387,007
FINANCING	21		(82,392)		(63,196)
INCREASE IN CASH	21		221,517		323,811

# COMPLAN FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

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### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention

#### Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts and is recognised upon receipt of goods by customers

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Brands - 20 years straight line

#### Stocks

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

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

#### 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classified as an equity instrument. Dividend and distributions relating to equity instruments are debited directly to equity

Income and expenditure arising on loan notes is recognised on the accruals basis, and credited or charged to the profit and loss account in the financial period to which it relates

# COMPLAN FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

### 2. TURNOVER

The turnover and loss before tax are attributable to principle activity of the company. No segmental information has been disclosed as, in the opinion of the directors, this would be prejudicial to the interests of the company.

### 3. OPERATING PROFIT

Operating profit is stated after charging

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Amortisation	377,604	377,597
Auditor's remuneration		
- as auditor	7,250	11,700
- for other services	3,250	1,700
Operating lease costs		
Other	32,110	27,400

#### Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Audit	7,250	11,700
Accountancy	1,500	-
Taxation	1,750	1,700
	10,500	13,400

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to

	Period from 30 Jul 06 to 28 Jul 07 No	Period from 25 Jul 05 to 29 Jul 06 No
Number of administrative staff	3	4
Number of sales staff	3	1
	6	5

The aggregate payroll costs of the above were

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Wages and salaries	331,252	364,968
Social security costs	38,018	39,171
	369,270	404,139

# COMPLAN FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

### 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Aggregate emoluments	154,500	122,500

Included in wages and salaries is an amount of £16,375 (2006 £18,750) paid to third parties for services of directors

### 6. EXCEPTIONAL ITEM

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Exceptional item	65,355	-

During the period the company explored the possibility of acquiring a further brand. It was ultimately decided that this would not be pursued. However, the company incurred £65,355 in legal and professional expenses in regard to this potential purchase.

This cost has been included in administrative expenses within the statutory profit and loss account for the period.

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Interest payable on bank borrowing	298,314	303,696
Interest on other loans	204,000	215,164
Other finance charges	8,608	121,562
	510,922	640,422

### 8. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the period

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Current tax		
UK Corporation tax based on the results for the period at 19% (2006 - 30%)	7,587	-
Total current tax	7,587	-
Deferred tax		
Origination and reversal of timing differences	78,785	(20,402)
Tax on profit/(loss) on ordinary activities	86,372	(20,402)

# COMPLAN FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

### 8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 19% (2006 - 30%)

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Profit/(loss) on ordinary activities before taxation	156,544	(95,834)
Profit/(loss) on ordinary activities by rate of tax	29,743	(28,750)
Expenses not deductible for tax purposes	12,818	6,177
Utilisation of tax losses	(34,814)	95,294
Other timing differences	(160)	(72,721)
Total current tax (note 8(a))	7,587	-

### 9. INTANGIBLE FIXED ASSETS

	Brands £
<b>COST</b>	
At 30 July 2006 and 28 July 2007	9,170,404
<b>AMORTISATION</b>	
At 30 July 2006	3,128,718
Charge for the period	377,604
At 28 July 2007	3,506,322
<b>NET BOOK VALUE</b>	
At 28 July 2007	5,664,082
At 29 July 2006	6,041,686

### 10. STOCKS

	28 Jul 07 £	29 Jul 06 £
Finished goods	485,070	408,070

### 11. DEBTORS

	28 Jul 07 £	29 Jul 06 £
Trade debtors	1,157,443	732,183
Other debtors	129,606	150,370
Prepayments and accrued income	34,495	25,541
Deferred taxation (note 12)	134,177	212,962
	1,455,721	1,121,056

Included within other debtors is an amount of £67,278 (2006 61,162), which represents an unsecured, interest bearing loan to the Complan Foods Limited Employee Benefit Trust to facilitate the acquisition of shares in the company from previous shareholders (see note 13)

# COMPLAN FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

### 12. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Included in debtors (note 11)	134,177	212,962

The movement in the deferred taxation account during the period was

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Balance brought forward	212,962	192,560
Profit and loss account movement arising during the period	(78,785)	20,402
Balance carried forward	134,177	212,962

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	28 Jul 07 £	29 Jul 06 £
Other timing differences	134,177	212,962
	134,177	212,962

### 13. CREDITORS: Amounts falling due within one year

	28 Jul 07 £	29 Jul 06 £
Bank loans and overdrafts	741,532	286,392
Trade creditors	741,643	742,903
Corporation tax	7,587	-
Other taxation and social security	11,542	-
Other creditors	266,581	61,162
Accruals and deferred income	457,454	412,944
	2,226,339	1,503,401

Included within other creditors is an amount of £67,278 (2006 £61,162), which represents an unsecured, interest bearing loan received from certain shareholders for the sole purpose of onward lending to the Complan Foods Limited Employee Benefit Trust (see note 11)

# COMPLAN FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

### 14 CREDITORS: Amounts falling due after more than one year

	28 Jul 07 £	29 Jul 06 £
Loan notes	3,034,004	2,830,004
Bank loans	2,839,647	3,567,762
	<u>5,873,651</u>	<u>6,397,766</u>

#### Bank loans

The bank loan is with Bank of Scotland and is secured by a first charge over the company's assets. The borrowings above are stated net of related issue costs of £119,347. A charge of £8,608 (2006: £3,501) was taken to the profit and loss account during the year in relation to the related issue costs.

The bank loan is repayable in bi-annual instalments from 4 May 2006 to 4 November 2012 and carries interest at 2.5% above the base rate. An interest rate protection agreement has been entered into in respect of 50% of the loan. The interest rate for the fixed portion of the loan being 5.02%, with the arrangement ending on 28 November 2008.

#### Loan notes

Loan notes comprise 10% fixed rate unsecured notes issued to the holders of the ordinary 'A' and ordinary 'B' shares in connection with the acquisition of the Brands in 2003. The loan notes are fully redeemable on 1 August 2009 and the interest accruing is payable on redemption of the loans. The holders of the loan notes have given an undertaking to the Bank of Scotland that the loan notes will not be redeemed until the bank loan is fully repaid.

### 15. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	28 Jul 07 £	29 Jul 06 £
Amounts repayable		
In one year or less or on demand	741,532	286,392
In more than one year but not more than two years	461,139	509,680
In more than two years but not more than five years	2,038,722	2,038,722
In more than five years	3,373,791	3,849,364
	<u>6,615,184</u>	<u>6,684,158</u>

### 16 COMMITMENTS UNDER OPERATING LEASES

At 28 July 2007 the company had annual commitments under non-cancellable operating leases as set out below:

	28 Jul 07 £	29 Jul 06 £
Operating leases which expire		
Within 2 to 5 years	<u>24,225</u>	<u>24,225</u>

### 17 RELATED PARTY TRANSACTIONS

In accordance with a supply agreement and service agreement, the company entered into trading transactions on normal commercial terms with H J Heinz Company Limited ("Heinz"), a company related by virtue of its 34% holding of voting rights, to the value of £3,055,005 (2006: £3,038,316). The balance payable to Heinz at 28 July 2007 amounted to £676,310 (29 July 2006: £621,625).

During the year the company paid KN Consulting £16,375 (2006: £18,750) for services of directors.



# COMPLAN FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

### 18. SHARE CAPITAL

#### Authorised share capital:

	28 Jul 07 £	29 Jul 06 £
432,898 Ordinary 'A' shares shares of £1 each	432,898	432,898
340,000 Ordinary 'B' shares shares of £1 each	340,000	340,000
327,102 Ordinary 'C' shares shares of £1 each	327,102	327,102
	<u>1,100,000</u>	<u>1,100,000</u>

#### Allotted, called up and fully paid:

	28 Jul 07		29 Jul 06	
	No	£	No	£
Ordinary 'A' shares shares of £1 each	432,898	432,898	432,898	432,898
Ordinary 'B' shares shares of £1 each	340,000	340,000	340,000	340,000
Ordinary 'C' shares shares of £1 each	207,102	207,102	207,102	207,102
	<u>980,000</u>	<u>980,000</u>	<u>980,000</u>	<u>980,000</u>

The holders of the ordinary 'A' shares may appoint two members of the Board of Directors and the holders of the ordinary 'B' shares, one member. In all other respects, each class of shares rank parri passu and carry equal voting rights.

### 19. PROFIT AND LOSS ACCOUNT

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Balance brought forward	(545,289)	(469,857)
Profit/(loss) for the financial period	<u>70,172</u>	<u>(75,432)</u>
Balance carried forward	<u>(475,117)</u>	<u>(545,289)</u>

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

	28 Jul 07 £	29 Jul 06 £
Profit/(Loss) for the financial period	70,172	(75,432)
Opening shareholders' funds	434,711	510,143
Closing shareholders' funds	<u>504,883</u>	<u>434,711</u>

### 21. NOTES TO THE STATEMENT OF CASH FLOWS

#### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Operating profit	692,048	524,834
Amortisation	377,604	377,597
Increase in stocks	(77,000)	(75,180)
Increase in debtors	(413,450)	(52,392)
Increase in creditors	260,211	232,816
Exceptional item	(65,355)	-
Net cash inflow from operating activities	<u>774,058</u>	<u>1,007,675</u>

# COMPLAN FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 30 JULY 2006 TO 28 JULY 2007

### 21 NOTES TO THE STATEMENT OF CASH FLOWS (continued)

#### RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Interest received	40,773	19,754
Interest paid	(502,314)	(518,860)
Other finance charges	(8,608)	(121,562)
Net cash outflow from returns on investments and servicing of finance	<u>(470,149)</u>	<u>(620,668)</u>

#### FINANCING

	Period from 30 Jul 06 to 28 Jul 07 £	Period from 25 Jul 05 to 29 Jul 06 £
Increase in loans	204,000	4,294,000
Repayment of loans	(286,392)	(4,357,196)
Net cash outflow from financing	<u>(82,392)</u>	<u>(63,196)</u>

#### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	28 Jul 07 £	£	29 Jul 06 £	£
Increase in cash in the period	221,517		323,811	
Net cash (inflow) from loans	(204,000)		(4,294,000)	
Net cash outflow from loans	286,392		4,357,196	
		303,909		387,007
Change in net debt		303,909		387,007
Net debt at 30 July 2006		(5,919,092)		(6,306,099)
Net debt at 28 July 2007		<u>(5,615,183)</u>		<u>(5,919,092)</u>

#### ANALYSIS OF CHANGES IN NET DEBT

	At 30 Jul 2006 £	Cash flows £	At 28 Jul 2007 £
Net cash			
Cash in hand and at bank	765,066	221,517	986,583
	<u>765,066</u>	<u>221,517</u>	<u>986,583</u>
Debt			
Debt due within 1 year	(286,392)	(441,723)	(728,115)
Debt due after 1 year	(6,397,766)	524,115	(5,873,651)
	<u>(6,684,158)</u>	<u>82,392</u>	<u>(6,601,766)</u>
Net debt	<u>(5,919,092)</u>	<u>303,909</u>	<u>(5,615,183)</u>

# **COMPLAN FOODS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 30 JULY 2006 TO 28 JULY 2007**

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### **22. POST BALANCE SHEET EVENTS**

During the period the company incurred costs in regard to the possible acquisition of a further brand. It was ultimately decided it would not pursue this acquisition. The costs for this have been disclosed as an exceptional item on the face of the profit and loss account.

In the post balance sheet period additional expenses of a similar quantum have been incurred in regard to this potential acquisition.

### **23. CONTINGENT ASSETS/ LIABILITIES**

There were no contingent assets or liabilities at 28 July 2007 or 29 July 2006.

### **24. CAPITAL COMMITMENTS**

The company had no capital commitments at 28 July 2007 or 29 July 2006.

### **25. ULTIMATE CONTROLLING RELATED PARTY**

The ultimate controlling related party is considered to be the individual holders of the ordinary 'A' shares by virtue of a shareholders' agreement requiring them and certain holders of the ordinary 'C' shares to vote en bloc.