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**Belcher Food Products Limited**

**Directors' report and accounts  
for the year ended 28 February 2005**



# **Belcher Food Products Limited**

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# **Belcher Food Products Limited**

## **Company information**

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<b>Directors</b>	E Belcher N Pearson
<b>Secretary</b>	E Belcher
<b>Registered office</b>	Glenburn Road Prestwick Ayrshire KA9 2NS
<b>Auditors</b>	Henderson Loggie Chartered Accountants Royal Exchange Dundee DD1 1DZ
<b>Bankers</b>	Clydesdale Bank plc Main Street Prestwick KA9 1AD
<b>Registered number</b>	SC076842

# **Belcher Food Products Limited**

## **Director's report**

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The directors present their annual report and accounts for the year ended 28 February 2005.

### **Principal activity**

The principal activity of the company is the manufacture of frozen and cooked meat products.

### **Results for the year**

The results for the year are set out in the profit and loss account on page 7. The directors consider the company's results for the year, and prospects for the future, to be satisfactory.

The directors do not recommend the payment of a dividend.

### **Fixed assets**

In the opinion of the directors, the market value of the land and buildings is not less than the book value stated in the accounts.

### **Directors and their interests**

The directors of the company at the date of this report are shown on page 1.

The Director's shareholdings in the ordinary shares of £1 each were:

	<b>28 February 2005</b>	<b>1 March 2004</b>
E Belcher	<b>29,998</b>	29,998
N Pearson (appointed 1 September 2004)	-	-
	<b>=====</b>	<b>=====</b>

E Belcher is a trustee of the E Belcher IV Trust which holds 10,000 shares of £1 each (2004 - 10,000) and the E Belcher II Trust which holds 10,000 shares of £1 each (2004 - 10,000).

On 31 January 2005 and 28 February 2005, the company purchased a total of 2 ordinary shares of £1 each in the capital of the company for a total consideration of £5,000.

### **Post balance sheet event**

On 16 March 2005, the company purchased a total of 20,000 ordinary shares of £1 each in the capital of the company for a total consideration of £6,000,000.

### **Political and charitable contributions**

During the year the company contributed £4,398 (2004 - £21,950) to local charities.

# **Belcher Food Products Limited**

## **Director's report (continued)**

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### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Henderson Loggie as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'E Belcher', written in a cursive style.

**E Belcher**  
Secretary

14 September 2005

# **Belcher Food Products Limited**

## **Statement of Director's responsibilities**

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Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- *state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and*
- prepare the accounts 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 accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.

# **Belcher Food Products Limited**

## **Independent auditors' report to the shareholders of Belcher Food Products Limited**

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We have audited the accounts of Belcher Food Products Limited for the year ended 28 February 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company 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 described in the statement of Directors' responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the company is not disclosed.

We read 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

## **Belcher Food Products Limited**

### **Independent auditors' report to the shareholders of Belcher Food Products Limited (continued)**

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#### **Opinion**

*In our opinion the accounts give a true and fair view of the state of the company's affairs as at 28 February 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.*

*Henderson Loggie*

**Henderson Loggie**  
Chartered Accountants  
Registered Auditors  
Dundee

14 September 2005



# Belcher Food Products Limited

## Profit and loss account for the year ended 28 February 2005

	Note	2005 £	2004 £
<b>Turnover</b>		<b>24,427,211</b>	29,157,731
Cost of sales		(17,268,414)	(19,924,408)
<b>Gross profit</b>		<b>7,158,797</b>	9,233,323
Operating expenses		(4,506,483)	(5,408,797)
<b>Operating profit</b>	2 – 4	<b>2,652,314</b>	3,824,526
Interest receivable	5	389,756	263,329
		<b>3,042,070</b>	4,087,855
Interest payable	6	(35,385)	(63,716)
<b>Profit on ordinary activities before taxation</b>		<b>3,006,685</b>	4,024,139
Tax on profit on ordinary activities	7	(979,646)	(1,149,403)
<b>Profit for the financial year</b>		<b>2,027,039</b>	2,874,736

A statement of movements on reserves is given in note 15.

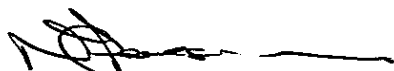
There are no recognised gains or losses other than the profit for the financial year of £2,027,039 (2004 - £2,874,736). Such profits represent the only movement in shareholders' funds.

# Belcher Food Products Limited

## Balance sheet at 28 February 2005

	Note	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	8	11,037,251	12,571,316
<b>Current assets</b>			
Stocks	9	2,597,765	1,163,382
Debtors	10	2,864,276	3,165,130
Cash at bank and in hand		9,373,698	7,498,043
		<u>14,835,739</u>	<u>11,826,555</u>
<b>Creditors</b>			
Amounts falling due within one year	11	2,639,013	3,325,933
		<u>12,196,726</u>	<u>8,500,622</u>
<b>Net current assets</b>			
		<u>23,233,977</u>	<u>21,071,938</u>
<b>Total assets less current liabilities</b>			
		<u>23,233,977</u>	<u>21,071,938</u>
<b>Provisions for liabilities and charges</b>	12	(1,128,000)	(988,000)
		<u>22,105,977</u>	<u>20,083,938</u>
<b>Net assets</b>		<u>22,105,977</u>	<u>20,083,938</u>
<b>Capital and reserves</b>			
Called up share capital	13	49,998	50,000
Capital redemption reserve	14	2	-
Profit and loss account	15	22,055,977	20,033,938
		<u>22,105,977</u>	<u>20,083,938</u>
<b>Shareholders' funds</b>	16	<u>22,105,977</u>	<u>20,083,938</u>

These accounts were approved by the director on 14 September 2005 and were signed on his behalf by:



**N Pearson**  
Director

# Belcher Food Products Limited

## Cash flow statement for the year ended 28 February 2005

	Note	2005 £	2004 £
<b>Net cash inflow from operating activities</b>	17	<b>2,819,129</b>	<b>2,041,133</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		391,979	249,127
Interest paid		(2,028)	(78,887)
<b>Net cash inflow from returns on investments and servicing of finance</b>		<b>389,951</b>	<b>170,240</b>
<b>Taxation paid</b>		<b>(1,049,646)</b>	<b>(589,213)</b>
<b>Capital expenditure</b>			
Proceeds from sales of tangible fixed assets		36,200	22,000
Payments to acquire tangible fixed assets		(314,979)	(1,422,804)
<b>Net cash outflow from capital expenditure</b>		<b>(278,779)</b>	<b>(1,400,804)</b>
<b>Financing</b>			
Redemption of share capital		(5,000)	-
<b>Increase in cash</b>	18	<b>1,875,655</b>	<b>221,356</b>

# **Belcher Food Products Limited**

## **Notes to the accounts**

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### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

#### **Basis of preparation**

The accounts have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

#### **Fixed assets and depreciation**

The cost of tangible assets is depreciated from the month of acquisition to estimated residual value on the straight line method over the following estimated useful lives:

Freehold buildings	-	20 years
Plant and equipment	-	3 to 15 years

#### **Leases**

Rentals payable under operating leases are charged to the profit and loss account in the period in which they become payable.

#### **Stocks**

Stocks are valued at the lower of cost, including appropriate labour and manufacturing overhead costs, and net realisable value.

#### **Deferred taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made in full for deferred tax.

#### **Turnover**

Turnover represents amounts invoiced in respect of goods provided during the year excluding value added tax.

#### **Pension costs**

Pension contributions are made to an external, insured fund and are charged to the profit and loss account in the year in which payment is due.

# Belcher Food Products Limited

## Notes to the accounts (continued)

### 2 Operating profit

	2005	2004
	£	£
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation	1,826,544	1,824,100
Auditors' remuneration - audit	6,500	6,500
- other services	4,283	5,945
Operating rentals for plant and machinery	26,001	19,794
(Gain)/loss on sale of assets	(13,700)	4,801
	<u>=====</u>	<u>=====</u>

### 3 Staff numbers and costs

The average number of persons employed by the company (including the director) during the year, analysed by category, was as follows:

	Number	Number
Office and management	19	15
Manufacturing	184	164
	<u>-----</u>	<u>-----</u>
	203	179
	<u>=====</u>	<u>=====</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	3,289,527	2,879,928
Social security costs	267,546	251,729
Other pension costs	1,208	999,999
	<u>-----</u>	<u>-----</u>
	3,558,281	4,131,656
	<u>=====</u>	<u>=====</u>

# Belcher Food Products Limited

## Notes to the accounts (continued)

<b>4</b>	<b>Remuneration of directors</b>	<b>2005</b>	<b>2004</b>
		<b>£</b>	<b>£</b>
	Emoluments	<b>137,858</b>	211,831
	Company contributions to money purchase pension schemes	-	999,999
		<b>137,858</b>	<b>1,211,830</b>

The aggregate of emoluments of the highest paid director amounted to £98,410 (2004 - £130,565) and company pension contributions of £Nil (2004 - £999,999) were made to a money purchase scheme on his behalf. No pension contributions were unpaid at the year end (2004 - £Nil).

Retirement benefits are no longer accruing to any director (2004 - none).

<b>5</b>	<b>Interest receivable</b>	<b>2005</b>	<b>2004</b>
		<b>£</b>	<b>£</b>
	Income from short-term deposits	<b>389,756</b>	263,329

<b>6</b>	<b>Interest payable</b>		
	On Directors' loan account balance	<b>33,357</b>	63,445
	Other interest	<b>2,028</b>	271
		<b>35,385</b>	<b>63,716</b>

# Belcher Food Products Limited

## Notes to the accounts (continued)

### 7 Taxation

	2005 £	2004 £
<b>UK corporation tax</b>		
Current year	845,000	1,240,000
Prior year	(5,354)	(18,947)
	<u>839,646</u>	<u>1,221,053</u>
<b>Deferred tax</b>		
Current year	82,319	(19,900)
Prior year	57,681	(51,750)
	<u>979,646</u>	<u>1,149,403</u>
<b>Factors affecting the tax charge:</b>		
Profit for the year before tax	<u>3,006,685</u>	<u>4,024,139</u>
Tax thereon @ 30%	902,006	1,207,242
<b>Effects of:</b>		
Expenses not deductible for tax	23,750	4,825
Pension costs not deductible for tax	-	150,000
Pension costs deductible for tax	(150,000)	(27,540)
Capital allowances in excess of depreciation	68,047	(111,047)
Adjustments in respect of prior periods	(5,354)	(18,947)
Margin	1,197	16,520
	<u>839,646</u>	<u>1,221,053</u>

# Belcher Food Products Limited

## Notes to the accounts (continued)

### 8 Tangible assets

	Freehold land and buildings £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 March 2004	9,200,915	18,361,228	27,562,143
Additions	112,988	201,991	314,979
Disposals	-	(174,034)	(174,034)
<b>At 28 February 2005</b>	<b>9,313,903</b>	<b>18,389,185</b>	<b>27,703,088</b>
<b>Depreciation</b>			
At 1 March 2004	3,356,927	11,633,900	14,990,827
Charge for year	459,093	1,367,451	1,826,544
On disposals	-	(151,534)	(151,534)
<b>At 28 February 2005</b>	<b>3,816,020</b>	<b>12,849,817</b>	<b>16,665,837</b>
<b>Net book value</b>			
<b>At 28 February 2005</b>	<b>5,497,883</b>	<b>5,539,368</b>	<b>11,037,251</b>
At 29 February 2004	5,843,988	6,727,328	12,571,316

### 9 Stocks

	2005 £	2004 £
Raw materials	796,588	524,827
Finished goods	1,801,177	638,555
	<b>2,597,765</b>	<b>1,163,382</b>



# Belcher Food Products Limited

## Notes to the accounts (continued)

10	Debtors	2005 £	2004 £
	Trade debtors	2,379,295	2,862,660
	Other debtors	218,552	62,329
	Prepayments and accrued income	266,429	240,141
		<u>2,864,276</u>	<u>3,165,130</u>

11	Creditors		
	Amounts falling due within one year:		
	Trade creditors	1,456,299	1,715,976
	Corporation tax	445,000	655,000
	Other taxes and social security	65,429	81,497
	Accruals	113,963	202,679
	Directors' loan account	558,322	670,781
		<u>2,639,013</u>	<u>3,325,933</u>

## 12 Provisions for liabilities and charges

### Deferred taxation

	Accelerated capital allowances £	Pension £	Total £
At 1 March 2004	1,138,000	(150,000)	988,000
Transfer to profit and loss account	(10,000)	150,000	140,000
<b>At 28 February 2005</b>	<u><b>1,128,000</b></u>	<u><b>-</b></u>	<u><b>1,128,000</b></u>

# Belcher Food Products Limited

## Notes to the accounts (continued)

### 13 Called up share capital

	2005 £	2004 £
<b>Authorised</b>		
Ordinary shares of £1 each	50,000	50,000
	=====	=====
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	49,998	50,000
	=====	=====

On 31 January 2005 and 28 February 2005, the company purchased a total of 2 ordinary shares of £1 each in the capital of the company for a total consideration of £5,000.

### 14 Capital redemption reserve

	2005 £	2004 £
Arising on share redemption	2	-
	=====	=====

### 15 Profit and loss account

At 1 March 2004	20,033,938	17,159,202
Shares repurchased and subsequently cancelled	(5,000)	-
Profit for the financial year	2,027,039	2,874,736
	=====	=====
<b>At 28 February 2005</b>	<b>22,055,977</b>	<b>20,033,938</b>
	=====	=====

The distributable profits of the company are £22,055,977 (2004 - £20,033,938).

### 16 Shareholders' funds

	2005 £	2004 £
At 1 March 2004	20,083,938	17,209,202
Shares repurchased and subsequently cancelled	(5,000)	-
Profit for the financial year	2,027,039	2,874,736
	=====	=====
<b>At 28 February 2005</b>	<b>22,105,977</b>	<b>20,083,938</b>
	=====	=====

# Belcher Food Products Limited

## Notes to the accounts (continued)

### 17 Reconciliation of operating profit to net cash inflow from operating activities

	2005 £	2004 £
Operating profit	2,652,314	3,824,526
Depreciation	1,826,544	1,824,100
(Gain)/loss on sale of asset	(13,700)	4,801
(Increase)/decrease in stocks	(1,434,383)	283,405
Decrease/(increase) in debtors	298,631	(432,411)
Decrease in creditors	(510,277)	(3,463,288)
<b>Net cash inflow from operating activities</b>	<b>2,819,129</b>	<b>2,041,133</b>

### 18 Analysis of changes in net funds

	At 1 March 2004 £	Cash flows £	At 28 February 2005 £
Cash in hand, at bank	7,498,043	1,875,655	9,373,698

### 19 Reconciliation of net cash flow to movement in net funds

	2005 £	2004 £
Increase in cash in the year	1,875,655	221,356
Net funds at 1 March 2004	7,498,043	7,276,687
<b>Net funds at 28 February 2005</b>	<b>9,373,698</b>	<b>7,498,043</b>

### 20 Capital commitments

#### Capital expenditure

Contracted for but not provided	Nil	Nil
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# Belcher Food Products Limited

## Notes to the accounts (continued)

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### 21 Commitments under operating leases

The company has commitments for payments in the next year under operating leases as follows:

	2005 £	2004 £
<b>Plant and equipment</b>		
Operating leases which expire:		
Within one to two years	7,593	-
Within two to five years	17,641	14,122
	<u>25,234</u>	<u>14,122</u>
	=====	=====

### 22 Post balance sheet events

On 16 March 2005, the company purchased a total of 20,000 ordinary shares of £1 each in the capital of the company for a total consideration of £6,000,000.