



**PERIMAX (SCOTLAND) LIMITED**

**Report and Financial Statements**

**Year ended 31 December 1996**

Deloitte & Touche  
Queen Anne House  
69-71 Queen Square  
Bristol  
BS1 4JP





**REPORT AND FINANCIAL STATEMENTS 1996**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

J C Hood  
F Ley  
R Gouin  
J Y Quere

**SECRETARY**

O E Howard

**REGISTERED OFFICE**

Sir William Smith Road  
Kirkton Industrial Estate  
Arbroath  
Angus  
DD11 3RD

**BANKERS**

Bank of Scotland plc  
Brothock Bridge  
Arbroath  
Angus  
DD11 1NH

**SOLICITORS**

Thorntons WS  
Brothockbank House  
Arbroath  
Angus  
DD11 1NJ

**AUDITORS**

Deloitte & Touche  
Queen Anne House  
69-71 Queen Square  
Bristol  
BS1 4JP



## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1996.

## **ACTIVITIES**

The principal activity of the company continues to be that of meat processing, trading and technical services.

## **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The company achieved a profit before taxation of £441,568 (1995: £458,322). Further details of the company's performance are set out in the profit and loss account on page 5, and the position of the company at the end of the year is shown in the balance sheet on page 6.

The directors are optimistic that the company will continue to trade profitably in the coming year.

## **DIVIDENDS**

The directors do not recommend payment of a dividend (1995: £390,000).

## **DIRECTORS**

The present membership of the Board is set out on page 1. All directors served throughout the year.

The directors' have no beneficial interests in the ordinary shares of the company. The directors' interests in the parent company are disclosed in that company's accounts.

## **AUDITORS**

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of directors  
and signed on behalf of the board

O E Howard  
Secretary



## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## Chartered Accountants

Deloitte & Touche  
Queen Anne House  
69-71 Queen Square  
Bristol BS1 4JP

Telephone: National 0117 921 1622  
International + 44 117 921 1622  
Fax (Gp. 3): 0117 929 2801

## PERIMAX (SCOTLAND) LIMITED

### AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

#### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of opinion

We conducted our audit in accordance with 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 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 of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte + Touche*

Chartered Accountants and  
Registered Auditors

*28 August 1997*



**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 1996**

	Notes	1996 £	1995 £
<b>TURNOVER - continuing operations</b>		3,262,046	2,998,695
Cost of sales		(2,290,307)	(2,073,967)
<b>GROSS PROFIT</b>		<u>971,739</u>	<u>924,728</u>
Distribution costs		130,285	110,283
Administrative expenses		399,886	356,123
		<u>(530,171)</u>	<u>(466,406)</u>
<b>OPERATING PROFIT - continuing operations</b>		<u>441,568</u>	<u>458,322</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	441,568	458,322
Tax on profit on ordinary activities	4	(150,923)	(157,074)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>290,645</u>	<u>301,248</u>
Dividends	5	-	(390,000)
<b>Retained profit/(loss) for the financial year</b>	13	<u>290,645</u>	<u>(88,752)</u>

The company has no recognised gains or losses other than the profit for the financial year. Accordingly no statement of total recognised gains and losses has been prepared.



**BALANCE SHEET**  
**Year ended 31 December 1996**

	Notes	£	1996 £	£	1995 £
<b>FIXED ASSETS</b>					
Tangible assets	6		510,572		467,531
<b>CURRENT ASSETS</b>					
Stocks	7	110,356		93,315	
Debtors	8	1,309,079		1,206,096	
Cash at bank and in hand		2,412		1,014	
		<u>1,421,847</u>		<u>1,300,425</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
Trade creditors		378,800		103,977	
Other creditors including taxation and social security	9	215,056		210,645	
Accruals and deferred income	10	47,527		53,708	
Proposed dividend		-		390,000	
		<u>(641,383)</u>		<u>(758,330)</u>	
<b>NET CURRENT ASSETS</b>			<u>780,464</u>		<u>542,095</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,291,036		1,009,626
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11		<u>(33,820)</u>		<u>(43,055)</u>
			<u>1,257,216</u>		<u>966,571</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		100,000		100,000
Profit and loss account	13		1,157,216		866,571
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>			<u>1,257,216</u>		<u>966,571</u>

These financial statements were approved by the Board of Directors on **27** August 1997.

Signed on behalf of the Board of Directors

J C Hood, Director





**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1996**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

These financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold properties.

**Tangible fixed assets**

Depreciation is not provided on freehold land. On other assets depreciation is provided on cost or revalued amounts in equal annual instalments over the estimated lives of the assets which are as follows:

Freehold buildings	15 years
Plant and machinery	5 to 15 years
Motor vehicles	4 years
Equipment, fixtures and fittings	3 to 10 years

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads.

**Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

**Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

**Turnover**

Turnover represents amounts invoiced (excluding VAT) to customers of the company in Europe in respect of the principal activity of the company.

**Research and development**

Research and development expenditure is written off in the year in which it is incurred.

**Grants received**

Grants received relating to tangible fixed assets are treated as a deferred credit and are released to the profit and loss account in equal instalments over the estimated useful economic life of the assets concerned.



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1996**

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Employee costs during the year:		
Wages and salaries	412,679	343,099
Social security costs	34,434	26,618
Other pension costs	1,041	936
	<u>448,154</u>	<u>370,653</u>
	<b>1996</b>	<b>1995</b>
	<b>No</b>	<b>No</b>
Average number of persons employed:		
Production	33	30
Administration	7	4
Laboratory	3	2
	<u>43</u>	<u>36</u>

The directors are directors of the parent company, Perimax Meat Company Limited. The directors received total remuneration of £89,392 (1995: £82,166) from Perimax Meat Company Limited during the year but it is not practicable to allocate this between their services as directors of Perimax Meat Company and their services as directors of Perimax (Scotland) Limited.

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and other amounts written off tangible and fixed assets	134,864	108,836
Release of Government grant	(1,784)	(1,784)
Research and development	2,253	210
Auditors' remuneration	3,000	3,380
	<u>138,333</u>	<u>110,562</u>

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
United Kingdom corporation tax at 33% (1995: 33%) based on the profit for the year	160,000	168,000
Deferred taxation	(9,235)	(10,380)
Adjustment in respect of prior years	158	(546)
	<u>150,923</u>	<u>157,074</u>

**5. DIVIDENDS**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Final proposed - nil per ordinary share (1995: 390p)	-	390,000



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1996**

**6. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Plant and machinery £	Equipment, fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 January 1996	413,156	914,854	33,257	11,210	1,372,477
Additions	-	163,221	3,488	12,923	179,632
Transfers out	-	-	-	(10,260)	(10,260)
<b>At 31 December 1996</b>	<u>413,156</u>	<u>1,078,075</u>	<u>36,745</u>	<u>13,873</u>	<u>1,541,849</u>
At valuation	275,000	-	-	-	275,000
At cost	138,156	1,078,075	36,745	13,873	1,266,849
	<u>413,156</u>	<u>1,078,076</u>	<u>36,745</u>	<u>13,873</u>	<u>1,541,849</u>
<b>Accumulated depreciation</b>					
At 1 January 1996	179,215	689,836	26,997	8,898	904,946
Change for the year	23,227	104,593	2,987	4,057	134,864
Transfers out	-	-	-	(8,533)	(8,533)
<b>At 31 December 1996</b>	<u>202,442</u>	<u>794,429</u>	<u>29,984</u>	<u>4,422</u>	<u>1,031,277</u>
<b>Net book value</b>					
At 31 December 1996	<u>210,714</u>	<u>283,646</u>	<u>6,761</u>	<u>9,451</u>	<u>510,572</u>
At 31 December 1995	<u>233,941</u>	<u>225,018</u>	<u>6,260</u>	<u>2,312</u>	<u>467,531</u>
<b>Comparable amounts determined according to the historical cost convention</b>					
Cost	623,150	1,078,075	36,745	13,873	1,751,843
Accumulated depreciation	425,318	794,429	29,984	4,422	1,254,153
<b>Net book value</b>					
At 31 December 1996	<u>197,832</u>	<u>283,646</u>	<u>6,761</u>	<u>9,451</u>	<u>497,690</u>
At 31 December 1995	<u>236,436</u>	<u>225,018</u>	<u>6,260</u>	<u>2,312</u>	<u>470,026</u>

Freehold land and buildings were valued on 31 December 1988 at open market value on the basis of existing use at £275,000.

All other tangible fixed assets are stated at historical cost.



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1996**

<b>7. STOCKS</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Raw materials	22,357	7,663
Finished goods	87,999	85,652
	<u>110,356</u>	<u>93,315</u>

There is no material difference between the replacement costs of stocks and their balance sheet value.

<b>8. DEBTORS</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Amounts due from parent company	1,231,792	1,166,991
Other debtors	44,444	12,989
Prepayments and accrued income	32,843	26,116
	<u>1,309,079</u>	<u>1,206,096</u>

All debtors fall due within one year.

<b>9. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Corporation tax	160,316	159,002
ACT payable	43,393	41,639
Other taxation and social security	11,347	10,004
	<u>215,056</u>	<u>210,645</u>

**10. ACCRUALS AND DEFERRED INCOME**

This heading includes Government grants:	<b>£</b>
At 1 January 1996	12,781
Released to profit and loss account	(1,784)
	<u>10,997</u>
<b>At 31 December 1996</b>	



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1996**

**11. PROVISIONS FOR LIABILITIES AND CHARGES**

<b>Deferred taxation</b>	<b>£</b>
Balance at 1 January 1996	43,055
Current year credit to profit and loss account	(9,235)
<b>Balance at 31 December 1996</b>	<b><u>33,820</u></b>

The amounts of deferred taxation provided and unprovided in the accounts are:

	<b>Provided</b>		<b>Unprovided</b>	
	<b>1996</b>	<b>1995</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Capital allowances in excess of depreciation	<u>33,820</u>	<u>43,055</u>	<u>-</u>	<u>-</u>

<b>12. SHARE CAPITAL</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Authorised, allotted and fully paid 10,000 ordinary shares of £1	<u>100,000</u>	<u>100,000</u>

**13. RESERVES**

<b>Profit and loss account</b>	<b>£</b>
At 1 January 1996	866,571
Retained profit for the year	290,645
<b>At 31 December 1996</b>	<b><u>1,157,216</u></b>

There have been no movements in shareholders' funds other than the retained profit for the year, and accordingly no reconciliation of movements in shareholders' funds is included in these accounts.

**14. ULTIMATE PARENT COMPANY**

The immediate parent company is Perimax Meat Company Limited which is registered in England and Wales. A copy of its accounts can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

The ultimate parent company is Compagnie Financiere de Paribas, 5 rue d'Antin, BP 141, 75078 Paris, a company incorporated in France and copies of group accounts are available from this address.

**ADDITIONAL INFORMATION**

The additional information on pages 13 and 14 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.