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# WEST TRUST PLC

Annual Report & Accounts 1995



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West Trust is a specialist food producer focused on the import, manufacture and distribution of branded and private label products.

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Growth will come through the development of more premium value products and the expansion of our customer base.

We will continue our profitable development through organic growth and strategic acquisitions.

# CHAIRMAN'S STATEMENT

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In the year ended 31 March 1995 your Group produced a profit before tax of £1,588,000 compared with a net loss before tax of £1,419,000 for the previous financial year. These very good figures incorporate full year contributions from all the Group food businesses, namely Bart Spices, Veeraswamy's, La Mexicana and Enco Products. A review of their respective performances is contained in the Chief Executive's Report.

The profit before tax is shown after deducting exceptional costs amounting to £214,000 which relate to reorganisation expenses at Enco Products and termination payments for three Senior Executives. The consequential reduction in central overheads will be reflected in the results of your Group in the current financial year.

The Board is recommending a final dividend of 2.0p (net) per share which will be paid on 1 November 1995 to the shareholders on the register on 3 October 1995. The proposed final dividend makes a total dividend for the year of 2.5p (net) per share which is the same as the previous year. The dividend is covered 1.1 times by earnings. Shareholders will know from the interim statement that the Board indicated that it was their intention to maintain the total dividend but reduce the differential between the interim and the final payments. It is the Board's present intention to progress further the policy of reducing disparity in the current financial year.

As a result of the Group's very successful trading, cash generation has been strong, such that gearing reduced to 37% from a comparable figure at the end of last year of 61%. The cash flow continued to be assisted by the regular receipt of funds from the sale of Indo African and Ken Moore, in the sum of £480,000 in the year. A similar level of receipts is due in the current year.

The only remaining textile company in the Group is Red Rose Velvets. Considerable competition and pressure on margins meant that this small company made a small loss for the year. One large competitor has withdrawn from the market and prospects for the current year are improving.

Your Directors continue to monitor the performance of Red Rose very closely and will take such action as is necessary to ensure its viability.

I am pleased to advise shareholders that during the year Edward Shaw, the Managing Director of Bart Spices, was appointed to the Board and will be standing for re-election at the Annual General Meeting. The Directors also propose at the AGM to recommend the election to the Board of Stephen Larkinson, the Managing Director of Enco Products.

Both have contributed significantly to the success of the Group as a whole. Mr Patrick Evenhuis resigned from the Board on 31 January 1995 having assisted with the integration of the new management at Enco. We are grateful for his support and wish him well.

At the Annual General Meeting the Board is proposing a change of name of your company to W T Foods plc. The new name will reflect more accurately the Group's activities as a specialist food manufacturer, importer and distributor.

We expect this year not to incur the exceptional costs of 1994/5 and furthermore to benefit from the subsequent reduction in overheads. In addition this year, satisfactory trading results have been achieved thus far, and your Board has confidence that profitable progress will be made.

PHILIP LOVEGROVE

CHAIRMAN

13 JUNE 1995

# CHIEF EXECUTIVE'S REVIEW

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The progress in sales and profits described in the Chairman's statement was made against a background of difficult trading conditions for the UK food manufacturing industry generally, with considerable pressure on margins in our markets.

Nevertheless, West Trust has achieved worthwhile growth in the past year and the company is now almost exclusively focused on a group of speciality food businesses that import, manufacture and distribute. We have first class Brands that can be developed in our chosen markets. Our efforts and expertise will now concentrate on the further expansion of our core business.

## BART SPICES

Sales have increased and in spite of the ever increasing pressure on margins from our UK multiple customers, profits have reached a new peak. The repositioning of the Brand in the marketplace, including a total redesign package, has been extremely successful and the company now claims Brand leadership in both Freeze Dried and Fresh Packaged herbs. More customers are selling Bart Spices Branded products than ever before. The Brand value will be further enhanced by the launch during this year of new products in new category areas.

The integration of the Veeraswamy's private label curry products into Bart Spices has been successful. Both sales and profit have increased.

## ENCO PRODUCTS

Enco's greatest achievement over the past year has been the success in widening its distribution beyond its traditional customers. Leading brands such as Nurishment, Encona and Carib are now sold in many supermarkets throughout the country. Turnover exceeded £14 million, a rise of 12%.

Part of the planned expansion has been the total redesign of key products and a major marketing effort to raise awareness of our valuable Brands. As a result listings have been achieved in UK multiples. Further development is planned for this year and several new products are already being developed.

Veeraswamy's Brand products were totally repackaged and successfully relaunched during the year.

#### LA MEXICANA QUALITY FOODS

La Mexicana produced record sales and profits which were respectively 22% and 55% up on the previous year. This company continues to prosper at an encouraging rate. Exports, mainly in Europe, account for 30% of sales.

Tortilla corn chips, both Branded and private label, continue to be an important factor of the business and contribute a further 30% of sales. New products are on the way and they will help develop the Brand further. Authenticity remains a key factor in the business.

West Trust have invested some £300,000 in La Mexicana during the year, the result being an increase in capacity of 100%. Management's expectation is that this extra capacity will soon be well utilised.

This has been my first full year as Chief Executive of your company and there have been some painful but necessary decisions made. I can report that, as a result of those decisions, the company is in good shape and set to capitalise on the progress made. As I have said before, we have in our company a unique product range but, just as important, we have a first class team of people dedicated to their jobs. In saying that, I would like to thank and congratulate everyone within our companies for their effort made and enthusiasm shown during the last financial year.

REG BARTLAM

CHIEF EXECUTIVE

13 JUNE 1995

# DIRECTORS, OFFICERS AND ADVISORS

## DIRECTORS

P A Lovegrove  
R J Bartlam  
B H Kapadia  
S Bard  
E C V Shaw

**Philip Lovegrove**, aged 57, was appointed the non-executive Chairman of West Trust in April 1988. He is the Chairman of Associated British Engineering plc and Video Tape Recording plc and his other directorships include Ashtead Group plc, English & Caledonian Investments plc and Rexmore plc.

**Reg Bartlam**, aged 65, became a director in 1992 with the acquisition of Bart Spices Limited. He was appointed Chief Executive in January 1995.

**Babubhai Kapadia**, aged 76, became a non-executive director on the sale of Indo African Exports Limited. He is a director of a number of family-owned textile companies.

**Stanley Bard**, aged 68, became a non-executive director in February 1993. He is a director of Spaghetti House Restaurants Limited.

**Edward Shaw**, aged 46, joined Bart Spices Limited in 1973 and was appointed Managing Director of that company in January 1995.

## SECRETARY AND REGISTERED OFFICE

A R Martin FCA  
2 Apex Point, Travellers Lane  
Welham Green, Hatfield  
Hertfordshire AL9 7HF  
Tel 01707 261770  
Fax 01707 260193  
Registered Number 94632

## BANKERS

National Westminster Bank PLC  
16 South Parade  
Nottingham  
NG1 2JX

## AUDITORS

BDO Stoy Hayward  
7-9 Irwell Terrace, Bacup  
Lancashire OL13 9AJ

## STOCKBROKERS

Bell Lawrie White & Co  
7 Drumsheugh Gardens  
Edinburgh EH3 7QH

## REGISTRARS

Connaught St Michaels Limited  
CSM House, Victoria Street, Luton  
Bedfordshire LU1 2PZ

## SOLICITORS

Edge & Ellison  
18-19 Southampton Place  
London WC1A 2AJ

## FINANCIAL PR

Haggie Financial Limited  
Roman House, Wood Street  
London EC2Y 5BA  
Tel 0171 417 8989  
Fax 0171 417 8247



# REPORT OF THE DIRECTORS

Year ended 31 March 1995

The directors present their report, together with the audited accounts of the group for the year ended 31 March 1995.

## PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal companies in the group and their activities are detailed on page 31. A review of the year and comments on future developments are contained in the Chairman's Statement and Chief Executive's Review on pages 2 to 5.

## RESULTS AND DIVIDENDS

The results for the year are set out in the group profit and loss account on page 12.

An interim dividend of 0.5p per share was paid on 1 April 1995 (1994: 0.2p).

The directors recommend a final dividend of 2.0p per share (1994: 2.3p). Subject to approval by the members at the Annual General Meeting, the dividend will be paid on 1 November 1995, to shareholders on the register at 3 October 1995.

## FIXED ASSETS

The movements in fixed assets during the year are shown in notes 13 and 15 to the accounts.

The directors are of the opinion that the current value of the group's land and buildings is not significantly different from their net book value.

## DIRECTORS AND THEIR INTERESTS

Messrs P M Ford and P H Evenhuis resigned as directors on 20 July 1994 and 31 January 1995 respectively. The shareholdings, including family interests, of the directors who held office at 31 March 1995 were as follows:

	Number of 25p ordinary shares 1995	1994 or date of appointment (if later)
P A Lovegrove	355,000	205,000
B H Kapadia	469,092	369,092
R J Bartlam	1,345,969	1,320,969
S Bard	1,245,053	945,053
E C V Shaw (appointed 31 January 1995)	400,000	400,000

Mr Bard's shareholding at 31 March 1995 includes 38,750 shares held non-beneficially.

Ordinary Shares under option to the directors pursuant to the company's Share Option Scheme were as follows:

	At 1 April 1994 or date of appointment Number	Adjustments Number	Granted Number	Lapsed Number	At 31 March 1995 Number
R J Bartlam	97,646	3,610	-	-	101,256
E C V Shaw	20,441	1,026	9,559	-	31,026
P M Ford	77,205	3,876	-	81,081	-

The adjustments arose as a result of the Rights Offer in December 1993.

Messrs Bartlam and Shaw's options are exercisable as follows:

Mr Bartlam:	70,270 at 37.00p per share between 1 May 1995 and 30 April 2002
	5,251 at 38.10p per share between 1 August 1996 and 31 July 2003
	25,735 at 43.30p per share between 1 March 1997 and 28 February 2004
Mr Shaw:	16,216 at 37.00p per share between 1 May 1995 and 30 April 2002
	5,251 at 38.10p per share between 1 August 1996 and 31 July 2003
	9,559 at 35.30p per share between 1 January 1998 and 31 December 2005

Following his resignation Mr Ford's options lapsed.

# REPORT OF THE DIRECTORS

Year ended 31 March 1995

## DIRECTORS AND THEIR INTERESTS CONTINUED

The quoted price of the company's shares on 31 March 1995 was 32.5p.

Save as disclosed herein, there have been no changes in the above shareholdings as at 13 June 1995.

No material contracts subsisted during the year in relation to the Group's business in which a director was materially interested.

Mr Shaw was appointed since the last Annual General Meeting and being eligible offers himself for election.

Mr Shaw has a service contract with a subsidiary company which expires on 31 December 1996.

In accordance with the company's Articles of Association Mr Kapadia is retiring by rotation and will seek re-election at the forthcoming Annual General Meeting. Mr Kapadia does not have a service contract with the company.

## DIRECTORS' INSURANCE

The company maintains an insurance policy on behalf of all the directors against liability arising from negligence, breach of duty, and breach of trust in relation to the group.

## SUBSTANTIAL SHAREHOLDINGS

The company has been notified of the following holdings which at 13 June 1995 represented 3% or more of the company's issued share capital:

	Number of ordinary shares	% of issued share capital
Mercury Asset Management (GUD Pension Trust)	3,496,852	8.26
Morgan Grenfell UK Small Co. Exempt Fund	3,237,224	7.65
London & Manchester Trust Management Limited	2,079,168	4.91
Friends Provident Unit Trust	1,860,000	4.39
Lazard Small Equities Investment Trust plc	1,566,362	3.70
Williams Holdings Pension Fund	1,443,108	3.41

## CHANGE OF NAME

In the notice of the Annual General Meeting, as special business, it is proposed to change the name of the company to W T Foods plc.

## POLITICAL CONTRIBUTIONS AND CHARITABLE DONATIONS

There have been no political contributions during the year and charitable donations did not exceed £200.

## TAXATION STATUS

In the opinion of the directors, the company is not a close company within the meaning of Section 414, Income and Corporation Taxes Act 1988.

## AUDITORS

BDO Binder Hamlyn changed their name on 3 October 1994 to BDO Stoy Hayward and have accordingly signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution proposing that BDO Stoy Hayward be re-appointed as auditors of the company will be put to the Annual General Meeting.

APPROVED BY THE BOARD ON 13 JUNE 1995

ALAN MARTIN FCA

SECRETARY



# STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 group and of the profit or loss of the group for the 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 group 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 the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# CORPORATE GOVERNANCE

## THE CADBURY CODE

The company has complied throughout the accounting period with those paragraphs of the Cadbury Code of Best Practice ('the Code') which came into effect on 1 July 1993.

Our auditors, BDO Stoy Hayward have reviewed the above statement about compliance with the Code solely insofar as this relates to the following matters:

- the need for a formal schedule of the matters reserved for the Board;
- procedures for the directors to obtain independent advice;
- the selection and appointment of non-executive directors;
- the establishment of a remuneration committee and the service contracts and disclosure of remuneration of executive directors;
- the establishment of an audit committee;
- the acknowledgement of directors' and auditors' responsibilities; and
- the directors' judgement that the company is a going concern.

BDO Stoy Hayward performed their review in accordance with the bulletin 'Disclosures Relating to Corporate Governance' issued by the Auditing Practices Board in February 1995 and have confirmed that in their opinion:

- the directors' statement on going concern provides the disclosures required by paragraph 4.6 of the Code (as supplemented by the related guidance for directors) and is not inconsistent with the information of which they are aware from their audit work on the accounts; and
- the directors' statement appropriately reflects the company's compliance with the other paragraphs of the Code specified for their review.

They were not required to perform the additional work necessary to, and did not, express any opinion on the effectiveness of the company's corporate governance procedures, nor on the ability of the company to continue in operational existence.

### GOING CONCERN

Having considered the guidance given in the document 'Going Concern and Financial Reporting: guidance for directors of listed companies' issued in November 1994 by the Going Concern Working Group of the Auditing Practices Board, the directors have formed a judgement at the time of approving these financial statements that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and therefore continue to adopt the going concern basis in preparing the accounts.

# AUDITORS' REPORT

to the members of West Trust PLC

We have audited the financial statements on pages 12 to 31 which have been prepared on the basis of the accounting policies set out on pages 16 and 17.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 9 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

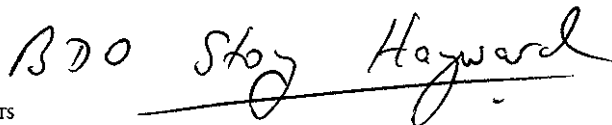
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 affairs of the company and of the group as at 31 March 1995 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD  
BACUP  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS  
13 JUNE 1995

A handwritten signature in dark ink, appearing to read 'BDO Stoy Hayward', is written over a horizontal line.

# GROUP PROFIT AND LOSS ACCOUNT

Year ended 31 March 1995

	Notes	1995 £'000	1994 £'000
Turnover	2	21,954	13,206
Cost of sales		(16,502)	(10,330)
Gross profit		5,452	2,876
Distribution costs and administrative expenses	3	(3,808)	(2,127)
Operating profit		1,644	749
Profit on sale of investments		23	38
Loss on disposal of subsidiary undertaking	4	-	(2,119)
Interest receivable and similar income	5	131	143
Interest payable and similar charges	6	(210)	(230)
Profit/(loss) on ordinary activities before taxation	7	1,588	(1,419)
Taxation on profit/(loss) on ordinary activities	10	(431)	(50)
Profit/(loss) for the financial year attributable to shareholders		1,157	(1,469)
Dividends	11	(1,058)	(1,059)
Retained profit/(loss) for the year	27	99	(2,528)
Earnings/(loss) per share	12	2.73p	(5.30p)

None of the Group's activities were acquired or discontinued during the financial year.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 March 1995

	1995 £'000	1994 £'000
Profit/(loss) for the financial year and total recognised gains/(losses)	1,157	(1,469)

A note of historical cost profits and losses has not been presented since the amounts involved are not materially different from those shown.

# GROUP BALANCE SHEET

31 March 1995

	Notes	1995 £'000	1995 £'000	1994 £'000	1994 £'000
<b>Fixed Assets</b>					
Tangible assets	13		2,348		2,115
Investments	15		-		33
			2,348		2,148
<b>Current Assets</b>					
Stocks	16	1,693		1,353	
Debtors	17	5,760		5,742	
Cash at bank and in hand		1,107		650	
		8,560		7,745	
Creditors (amounts falling due within one year)	18	(5,620)		(4,520)	
<b>Net Current Assets (including debtors of £1,091,000 due after more than one year)</b>			2,940		3,225
<b>Total Assets Less Current Liabilities</b>			5,288		5,373
Creditors (amounts falling due after more than one year)	19		(2,037)		(2,262)
<b>Net Assets</b>			3,251		3,111
<b>Capital and Reserves</b>					
Called up share capital	23		10,585		10,585
Share premium account			1,230		1,230
Revaluation reserve	25		60		62
Other reserves	26		(8,315)		(8,356)
Profit and loss account	27		(309)		(410)
<b>Shareholders' Funds</b>			3,251		3,111

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APPROVED BY THE BOARD ON 13 JUNE 1995

P A LOVEGROVE

R J BARTLAM

DIRECTORS

# PARENT COMPANY BALANCE SHEET

31 March 1995

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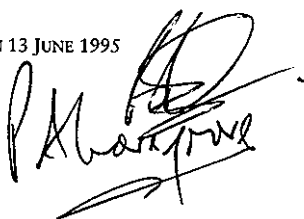
	Notes	1995 £'000	1995 £'000	1994 £'000	1994 £'000
<b>Fixed Assets</b>					
Tangible assets	13		8		47
Investments	15		12,586		12,684
			12,594		12,731
<b>Current Assets</b>					
Debtors	17	4,178		4,429	
Cash at bank and in hand		27		86	
		4,205		4,515	
Creditors (amounts falling due within one year)	18	(1,697)		(1,735)	
Net Current Assets (including debtors of £1,091,000 due after more than one year)			2,508		2,780
<b>Total Assets Less Current Liabilities</b>			15,102		15,511
Creditors (amounts falling due after more than one year)	19		(2,396)		(2,648)
<b>Net Assets</b>			12,706		12,863
<b>Capital and Reserves</b>					
Called up share capital	23		10,585		10,585
Share premium account			1,230		1,230
Revaluation reserve	25		761		765
Profit and loss account	27		130		283
<b>Shareholders' Funds</b>			12,706		12,863

APPROVED BY THE BOARD ON 13 JUNE 1995

P A LOVEGROVE

R J BARTLAM

DIRECTORS





# GROUP CASH FLOW STATEMENT

Year ended 31 March 1995

	Notes	1995 £'000	1995 £'000	1994 £'000	1994 £'000
Net Cash Inflow from Operating Activities	30		2,502		798
Returns on Investments and Servicing of Finance					
Interest received		30		14	
Interest paid		(197)		(64)	
Factoring charges		-		(108)	
Hire purchase and finance lease interest		(10)		(26)	
Dividends paid		(1,059)		(452)	
Net Cash Outflow from Returns on Investments and Servicing of Finance			(1,236)		(636)
Corporation tax paid			(589)		(190)
Investing Activities					
Purchase of tangible fixed assets		(457)		(184)	
Purchase of subsidiaries	15(b)	41		(1,952)	
Proceeds on disposal of tangible fixed assets		55		64	
Sale of subsidiary		-		500	
Deferred consideration received		360		360	
Repayment of loan by former subsidiary		120		30	
Sale of investments		56		38	
Net Cash Inflow/(Outflow) from Investing Activities			175		(1,144)
Net Cash Inflow/(Outflow) before Financing			852		(1,172)
Financing Activities					
Issue of ordinary share capital		-		344	
Expenses of share issues		-		(382)	
New long term loans		-		2,000	
Capital element of finance lease rentals		(93)		(107)	
Long term loans repaid		(230)		(30)	
Net Cash (Outflow)/Inflow from Financing	33		(323)		1,825
Increase in Cash and Cash Equivalents	31 & 32		529		653

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# NOTES TO THE ACCOUNTS

Year ended 31 March 1995

## 1 STATEMENT OF ACCOUNTING POLICIES

### (a) Accounting Convention

The accounts have been prepared using the historical cost convention of accounting, modified by the revaluation of certain fixed assets.

### (b) Basis of Consolidation

Group accounts have been prepared in the form of consolidated accounts incorporating those of the parent company and all of its subsidiary undertakings. Results of subsidiary undertakings acquired are included from the date of acquisition. Results of subsidiary undertakings disposed of are included up to the date of disposal. The separable net assets of subsidiary undertakings acquired are included in the group accounts at their fair value to the group as at the date of acquisition, including provisions for reorganisation costs and any other provisions and liabilities taken into consideration in assessing the fair value of the business acquired. Goodwill arising on consolidation, representing the excess of the cost of the investments in subsidiary undertakings over the fair value of net assets acquired, is charged to reserves.

As permitted by Section 230 of the Companies Act 1985, a separate profit and loss account for the parent company is not presented.

### (c) Fixed Asset Investments

Investments in subsidiary undertakings are stated at cost or directors' valuation.

The cost of the subsidiary undertakings comprises the aggregate of cash consideration, costs, and the nominal value of shares issued. Costs include attributable overheads of the company incidental to the acquisitions.

### (d) Fixed Assets

In the group balance sheet tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation, less the estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Freehold land	Nil.
Freehold buildings	2% per annum, straight line.
Leasehold premises	Over the terms of the lease.
Plant and machinery	10%-20% per annum, straight line.
Motor vehicles	20%-25% per annum, straight line.

### (e) Stocks

Stocks have been valued at the lower of cost and net realisable value. Cost includes the cost of materials, together with appropriate costs of production, being direct labour and production overheads.

### (f) Deferred Taxation

Provision for deferred taxation arising from timing differences between the treatment of certain items for taxation and accounting purposes, and the revaluation of certain fixed assets, is only made where there is reasonable evidence that such deferred taxation will be payable in the foreseeable future.

## 1 STATEMENT OF ACCOUNTING POLICIES CONTINUED

### (g) Leased Assets

Motor vehicles and plant subject to finance leases are shown as fixed assets and depreciated as indicated above. The corresponding liability for the capital element is recorded as a loan and the interest element, which is calculated on the basis of the amount of loan outstanding, is charged against income over the primary lease period.

Rentals paid under operating leases are charged against profits on a straight line basis over the lease term.

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### (h) Foreign Currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

### (i) Pension Costs

The group operates defined contribution pension schemes for employees of group undertakings and all pension costs have been charged to the profit and loss account as incurred.

### (j) Compliance with Accounting Standards

The accounts have been prepared in accordance with applicable accounting standards.

## 2 TURNOVER AND SEGMENTAL ANALYSIS

Turnover, which is all derived from the United Kingdom, represents the amount receivable, excluding value added tax, from the group's food manufacturing and distribution and textile manufacturing activities.

A geographical analysis of turnover is as follows:

	Total 1995 £'000	Total 1994 £'000
United Kingdom	20,663	12,330
Europe	1,097	693
Rest of the world	194	183
	<b>21,954</b>	<b>13,206</b>

An analysis of turnover by business activity is as follows:

	Continuing 1995 £'000	Continuing 1994 £'000	Discontinued 1995 £'000	Discontinued 1994 £'000	Total 1995 £'000	Total 1994 £'000
Food manufacturing and distribution	21,099	8,681	-	-	21,099	8,681
Textiles	855	856	-	3,669	855	4,525
	<b>21,954</b>	<b>9,537</b>	<b>-</b>	<b>3,669</b>	<b>21,954</b>	<b>13,206</b>

# NOTES TO THE ACCOUNTS

Year ended 31 March 1995

## 2 TURNOVER AND SEGMENTAL ANALYSIS CONTINUED

The operating profits/(losses) relating to these activities are as follows:

	Continuing 1995 £'000	Continuing 1994 £'000	Discontinued 1995 £'000	Discontinued 1994 £'000	Total 1995 £'000	Total 1994 £'000
Food manufacturing and distribution	1,998	877	-	-	1,998	877
Textiles	(17)	(1)	-	98	(17)	97
	1,981	876	-	98	1,981	974
Central costs	(337)	(225)	-	-	(337)	(225)
	1,644	651	-	98	1,644	749

The cost of sales for 1994 includes £2,998,000 in respect of discontinued activities.

The net assets attributable to each activity excluding intra-group balances are as follows:

	1995 £'000	1994 £'000
Parent company	(1,799)	(1,541)
Food manufacturing and distribution	4,504	4,065
Textiles	546	587
	3,251	3,111

## 3 DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

	Continuing 1995 £'000	Continuing 1994 £'000	Discontinued 1995 £'000	Discontinued 1994 £'000	Total 1995 £'000	Total 1994 £'000
Distribution costs	1,409	407	-	181	1,409	588
Administrative expenses	2,399	1,147	-	392	2,399	1,539
	3,808	1,554	-	573	3,808	2,127

## 4 LOSS ON SALE OF SUBSIDIARY UNDERTAKING

	1995 £'000	1994 £'000
Goodwill previously written off	-	1,932
Excess of book value over proceeds received	-	187
	-	2,119

## 5 INTEREST RECEIVABLE AND SIMILAR INCOME

	1995 £'000	1994 £'000
Bank interest	30	14
Discount release (note 17)	101	129
	131	143

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## 6 INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £'000	1994 £'000
Interest payable on bank loans and overdrafts:		
- repayable within five years	14	34
- not wholly repayable within five years	186	62
Hire purchase and finance lease interest	10	26
Factoring charges	-	108
	210	230

Interest payable and similar charges for 1994 includes £147,000 of interest paid in respect of discontinued activities.

## 7 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

is stated after charging:	1995 £'000	1994 £'000
Depreciation of owned assets	267	260
Depreciation of leased assets	41	28
Operating lease rentals		
- land and buildings	213	145
- other	42	15
Auditors' remuneration	44	49
Exceptional costs	214	-

Amounts paid to the auditors by the group in respect of non-audit services were £18,000 (1994: £119,000).  
Exceptional costs comprise termination payments to directors and staff.

## 8 DIRECTORS' EMOLUMENTS

	1995 £'000	1994 £'000
Fees	35	41
Management remuneration	117	116
Pension contributions	11	10
Compensation for loss of office	100	-
	263	167
Chairman's fees	15	15
Remuneration of the highest paid director	47	60

# NOTES TO THE ACCOUNTS

Year ended 31 March 1995

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## 8 DIRECTORS' EMOLUMENTS CONTINUED

The number of other directors receiving remuneration in the following ranges were:

	1995 Number	1994 Number
£0 - £5,000	-	1
£5,001 - £10,000	3	4
£15,001 - £20,000	1	-
£40,001 - £45,000	1	-
£45,001 - £50,000	-	1

None of the directors' emoluments arose from performance related bonuses.

## 9 EMPLOYEES

### (a) Staff costs

	1995 £'000	1994 £'000
Wages and salaries	2,164	1,666
Social security costs	198	169
Other pension costs	93	69
	2,455	1,904

### (b) The average number of persons employed by the group was:

	1995 Number	1994 Number
Production	81	105
Selling and administration	72	56
	153	161

## 10 TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	1995 £'000	1994 £'000
<b>UK current year taxation</b>		
Corporation tax charge at 33%	452	70
Provision for irrecoverable ACT - (release)/charge	(20)	7
Adjustment for previous years	(1)	(27)
	431	50

The tax charge on the profit for the year has been reduced by the utilisation of losses brought forward. The tax charge for the year would have increased by £25,000 had deferred taxation been provided for in full on accelerated capital allowances and other timing differences.

Deferred tax has not been provided on property revaluations in prior years (note 20).

## 11 DIVIDENDS

	1995 £'000	1994 £'000
Interim declared - 0.5p per share (1994: 0.2p)	211	85
Final proposed - 2.0p per share (1994: 2.3p)	847	974
	1,058	1,059

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## 12 EARNINGS/(LOSS) PER SHARE

The earnings/(loss) and weighted average number of ordinary shares in issue used in calculating the earnings/(loss) per ordinary share were as follows:

	1995 £'000	1994 £'000
Earnings/(loss) for the year - Basic	1,157	(1,469)
	1995 Number	1994 Number
Weighted average number of shares in issue	42,337,880	27,729,809

Fully diluted earnings per share are not materially different from the basic earnings per share stated above.

## 13 TANGIBLE FIXED ASSETS - GROUP

	Freehold £'000	Land and buildings Long leasehold £'000	Short leasehold £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
<b>Cost or Valuation</b>						
At 1 April 1994						
- Cost	-	489	140	1,922	358	2,909
- 1990 Valuation	150	-	-	-	-	150
Reclassification	-	-	122	(122)	-	-
Additions	-	-	1	331	256	588
Disposals	-	-	-	(22)	(149)	(171)
At 31 March 1995	150	489	263	2,109	465	3,476
<b>Depreciation</b>						
At 1 April 1994	12	19	22	755	136	944
Reclassification	-	-	4	(4)	-	-
Charge for the year	3	10	12	203	80	308
Adjustments for disposals	-	-	-	(20)	(104)	(124)
At 31 March 1995	15	29	38	934	112	1,128
<b>Net Book Value</b>						
At 31 March 1995	135	460	225	1,175	353	2,348
At 31 March 1994	138	470	118	1,167	222	2,115

# NOTES TO THE ACCOUNTS

Year ended 31 March 1995

## 13 TANGIBLE FIXED ASSETS - GROUP CONTINUED

The historical cost of the freehold property at 31 March 1995 is:

	Freehold £'000
Cost	86
Depreciation	12
Net Book Value	74
Depreciation charge for the year	2

At 31 March 1995 motor vehicles with a net book value of £240,000 (1994: £173,000) were held under finance leases and hire purchase agreements.

### Parent Company

	Plant and machinery £'000	Motor vehicles £'000	Total £'000
<b>Cost or Valuation</b>			
At 1 April 1994 - Valuation	-	54	54
Additions	8	-	8
Disposals	-	(54)	(54)
At 31 March 1995 - Cost	8	-	8
<b>Depreciation</b>			
At 1 April 1994	-	7	7
Charge for the year	-	6	6
Adjustments for disposals	-	(13)	(13)
At 31 March 1995	-	-	-
<b>Net Book Value</b>			
At 31 March 1995	8	-	8
At 31 March 1994	-	47	47

## 14 CAPITAL COMMITMENTS

	Group 1995 £'000	Group 1994 £'000	Parent Company 1995 £'000	Parent Company 1994 £'000
Capital expenditure contracted for but not provided	101	8	21	Nil
Capital expenditure authorised but not contracted for	290	120	Nil	Nil



## 15 FIXED ASSETS - INVESTMENTS

Summary	Group 1995 £'000	Group 1994 £'000	Parent Company 1995 £'000	Parent Company 1994 £'000
Loan to subsidiary undertaking	-	-	368	392
Subsidiary undertakings	-	-	12,218	12,259
Quoted investments	-	33	-	33
	-	33	12,586	12,684
<b>(a) Loan to subsidiary undertaking</b>				
At 1 April 1994			592	
Provision as at 1 April 1994			(200)	
Repaid in year			(24)	
At 31 March 1995			368	
<b>(b) Investment in subsidiary undertakings</b>				
Cost or valuation				
At 1 April 1994			12,711	
Adjustment			(41)	
At 31 March 1995			12,670	
Provision for diminution in value				
At 1 April 1994			452	
Disposal			-	
At 31 March 1995			452	
<b>Net Book Value</b>				
At 31 March 1995			12,218	
Stated at cost			7,891	
Stated at 1993 valuation			4,327	
			12,218	

The historical cost of investment in subsidiary undertakings at 31 March 1995 was £11,621,000 (1994: £11,662,000).

Details of the company's principal subsidiary undertakings are given on page 31.

The adjustment of £41,000 relates to the recovery of part of the consideration paid for the acquisition of Drenning Limited (See also note 26).

	Group 1995 £'000	Parent Company 1995 £'000
<b>(c) Quoted investments</b>		
At 1 April 1994 - Valuation	33	33
Disposal	(33)	(33)
At 31 March 1995	-	-

# NOTES TO THE ACCOUNTS

Year ended 31 March 1995

## 16 STOCKS

	Group 1995 £'000	Group 1994 £'000
Raw materials	418	464
Work in progress	154	100
Finished goods	1,121	789
	1,693	1,353

## 17 DEBTORS

	Group 1995 £'000	Group 1994 £'000	Parent Company 1995 £'000	Parent Company 1994 £'000
Trade debtors	3,524	3,119	-	-
Other debtors	1,706	1,995	1,377	1,773
Amounts owed by subsidiary undertakings	-	-	2,405	2,234
Corporation tax recoverable	-	23	-	-
Advance corporation tax recoverable	383	410	383	410
Prepayments and accrued income	147	195	13	12
	5,760	5,742	4,178	4,429

Amounts recoverable after more than one year included in debtors are as follows:

	£'000	£'000	£'000	£'000
Other debtors	827	1,432	827	1,279
Advance corporation tax recoverable	264	243	264	243
	1,091	1,675	1,091	1,522

Other debtors at 31 March 1995 include an amount of £775,000 (1994: £1,033,000) being the balance due on the sale in February 1992 of Indo African Exports Limited. This amount is stated after deducting a discount of £95,000 to reduce the debt to its net present value using a discount rate of 12% per annum. During the year ended 31 March 1995 £101,000 (1994: £129,000) of the discount provision has been released to the profit and loss account (see note 5). The net amount due after more than one year is £484,000 (1994: £775,000). The gross amounts receivable are due as follows:

	£'000
Due within one year	360
Due between one and two years	510
	870

## 17 DEBTORS CONTINUED

Also included in other debtors is an amount of £592,000 being the amount due on the outstanding loan account with Ken Moore Limited. The amount receivable is due as follows:

	£'000
Due within one year	250
Due between one and two years	120
Due between two and five years	222
	592

The above debt is secured by a third ranking fixed and floating charge over the assets and undertaking of Ken Moore Limited.

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## 18 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	Group 1995 £'000	Group 1994 £'000	Parent Company 1995 £'000	Parent Company 1994 £'000
Bank loans (note 21)	229	228	229	228
Bank overdrafts (note 21)	-	72	-	-
Trade creditors	3,388	2,031	-	-
Other creditors	14	8	-	-
Corporation tax	169	377	-	-
Advance corporation tax	264	264	264	264
Other taxes and social security costs	150	135	81	63
Accruals	280	299	65	108
Interim dividend	211	85	211	85
Proposed final dividend	847	974	847	974
Hire purchase and finance lease creditors (note 21)	68	47	-	13
	5,620	4,520	1,697	1,735

## 19 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)

	Group 1995 £'000	Group 1994 £'000	Parent Company 1995 £'000	Parent Company 1994 £'000
Bank loans (note 21)	1,911	2,142	1,911	2,142
Hire purchase and finance lease creditors (note 21)	95	78	-	21
Amounts owed to subsidiary undertakings	-	-	485	485
Other creditors	31	42	-	-
	2,037	2,262	2,396	2,648

# NOTES TO THE ACCOUNTS

Year ended 31 March 1995

## 20 PROVISION FOR LIABILITIES AND CHARGES

### Deferred Taxation

Deferred taxation is only provided to the extent that, in the opinion of the directors, a liability will crystallise in the foreseeable future. The potential liability at 31 March 1995 for which provision has not been made, is as follows:

	Group 1995 £'000	Group 1994 £'000	Parent Company 1995 £'000	Parent Company 1994 £'000
Accelerated capital allowances	200	181	-	-
Other timing differences	(45)	(51)	-	-
	155	130	-	-
Revaluation of fixed assets	12	5	-	-
	167	135	-	-

At 31 March 1995 there were unutilised trading losses available to be carried forward of approximately £227,000 (1994: £379,000).

## 21 BORROWINGS

	Group 1995 £'000	Group 1994 £'000	Parent Company 1995 £'000	Parent Company 1994 £'000
(a) Obligations under hire purchase and finance leases				
These are repayable as follows:				
Within 1 year	68	47	-	13
Between 1 and 5 years	95	78	-	21
	163	125	-	34
(b) Bank loans and overdrafts				
These are repayable as follows:				
Within 1 year	229	300	229	228
Between 1 and 2 years	232	231	232	231
Between 2 and 5 years	715	711	715	711
After 5 years	964	1,200	964	1,200
	2,140	2,442	2,140	2,370

Interest on the bank loans is payable at 2.5% above LIBOR.

The bank loans and overdrafts are secured by legal charges over the assets of the group.

Higher purchase and finance leases are secured against the assets to which they relate (note 13).

## 22 FINANCIAL COMMITMENTS

The group is committed to the following annual payments under operating leases which expire as follows:

	Land and buildings 1995 £'000	Land and buildings 1994 £'000	Other 1995 £'000	Other 1994 £'000
Within 1 year	-	-	3	5
Between 1 and 5 years	35	35	17	26
After 5 years	178	178	-	1
	213	213	20	32

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## 23 CALLED UP SHARE CAPITAL

	Group and Parent Company 1995 £'000	Group and Parent Company 1994 £'000
<b>Authorised:</b>		
56,452,000 (1994: 56,452,000) ordinary shares of 25p each	14,113	14,113
	Number	£'000
<b>Allotted and fully paid:</b>		
Ordinary shares of 25p each		
At 1 April 1994	42,337,880	10,585
Allotted during the year:		
On acquisition of subsidiaries	-	5,798
Open offer	-	269
At 31 March 1995	42,337,880	10,585

## 24 SHARE OPTION SCHEME

The Board has granted options to certain directors and employees in accordance with the rules of the share option scheme established by the company. Options outstanding at 31 March 1995 were as follows:

Number of ordinary shares of 25p each	Price per share	Exercise period
151,349*	37.00p*	1 May 1995 - 30 Apr 2002
15,753*	38.10p*	1 Aug 1996 - 31 Jul 2003
40,000	42.70p	1 Feb 1997 - 31 Jan 2004
25,735	43.30p	1 Mar 1997 - 29 Feb 2004
109,412 (granted 12 Dec 1994)	35.30p	1 Jan 1998 - 31 Dec 2005
342,249		

\*The number of shares and the price at which the options can be exercised have been adjusted as a result of the Rights Offer in December 1993.

# NOTES TO THE ACCOUNTS

Year ended 31 March 1995

## 25 REVALUATION RESERVE

	Group £'000	Parent Company £'000
At 1 April 1994	62	765
Profit and loss account transfer	(2)	(4)
At 31 March 1995	60	761

## 26 OTHER RESERVES

	Group £'000
At 1 April 1994	(8,356)
Adjustment to goodwill arising on acquisition of subsidiary undertaking (note 15b)	41
At 31 March 1995	(8,315)

At 31 March 1995 the cumulative goodwill arising on acquisitions of subsidiary undertakings, was £11,370,000 (1994: £11,411,000).

## 27 PROFIT AND LOSS ACCOUNT

	Group £'000	Parent Company £'000
At 1 April 1994	(410)	283
Retained profit/(loss) for the year	99	(157)
Revaluation reserve transfer	2	4
At 31 March 1995	(309)	130

The profit for the year attributable to the Parent company is £901,000 (1994: £829,000) after crediting intra group dividends of £700,000 (1994: £1,100,000).

## 28 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £'000	1994 £'000
At 1 April 1994	3,111	3,760
Total recognised gains/(losses)	1,157	(1,469)
Dividends	(1,058)	(1,059)
New share capital subscribed	-	7,788
Expenses of share issues	-	(382)
Goodwill recovered/(written off) on acquisitions	41	(7,459)
Goodwill on disposal of subsidiary undertaking	-	1,932
At 31 March 1995	3,251	3,111

## 29 CONTINGENT LIABILITIES

At 31 March 1995, the company has guaranteed the annual rental commitment of a subsidiary undertaking amounting to £130,000 in the ordinary course of business. Also the company has guaranteed bank overdrafts of subsidiary undertakings amounting in aggregate to £Nil (1994: £60,000).

At 31 March 1995, there was a letter of credit amounting to £65,000 given in the normal course of business in favour of a supplier to a subsidiary undertaking.

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

	1995 £'000	1994 £'000
Operating profit	1,644	749
Depreciation of tangible fixed assets	308	288
(Profit)/loss on sale of tangible fixed assets	(8)	10
(Increase)/decrease in stocks	(340)	445
Increase in debtors	(447)	(47)
Increase/(decrease) in creditors	1,345	(647)
Net cash inflow from operating activities	2,502	798

## 31 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1995 £'000	1994 £'000
Balance of cash at bank and overdrafts at 1 April 1994	578	(75)
Cash inflow	529	653
Balance of cash at bank and overdrafts at 31 March 1995	1,107	578

## 32 ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1995 £'000	1994 £'000	Change in the year £'000
Cash at bank and in hand	1,107	650	457
Bank overdrafts	-	(72)	72
	1,107	578	529

# NOTES TO THE ACCOUNTS

Year ended 31 March 1995

## 33 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital and premium		Bank loans, hire purchase and finance lease obligations	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
At 1 April 1994	11,815	7,149	2,495	586
Transfer to profit and loss account	-	(1,094)	-	-
Shares issued for non-cash consideration	-	5,798	-	-
On acquisition of subsidiary undertakings	-	-	-	56
Capital value at inception of leases	-	-	131	184
On disposal of subsidiary undertaking	-	-	-	(194)
Cash (outflow)/inflow from financing	-	(38)	(323)	1,863
At 31 March 1995	11,815	11,815	2,303	2,495



## PRINCIPAL SUBSIDIARY COMPANIES

During the year the principal subsidiary companies, all of which were wholly owned, were as follows:

Company	Principal activity
Bart Spices Limited	Herbs and spices manufacture
Veeraswamy's (Food Products) Limited	Manufacture of Indian food
La Mexicana Quality Foods Limited	Manufacture of Mexican food
Enco Products (London) Limited*	Manufacture and distribution of speciality food
Red Rose Velvets Limited	Manufacture of velvet products

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\* Indirectly owned.

Shares in subsidiary companies are represented by ordinary shares, and are directly owned unless otherwise stated. The principal country of operation for all the above subsidiaries is the United Kingdom and all were registered in England and Wales.

# NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at the offices of The Chamber of Shipping, Carthusian Court, 12 Carthusian Street, London, EC1M 6EB on 19 July 1995 at 11.00 am for the purpose of transacting the following business:

## AS ORDINARY BUSINESS

- 1 To receive and adopt the accounts and reports of the directors and auditors for the year ended 31 March 1995.
- 2 To declare a final dividend.
- 3 To re-elect Mr B H Kapadia as a director.
- 4 To elect Mr E C V Shaw as a director.
- 5 To elect Mr S M Larkinson as a director.
- 6 To re-appoint the auditors, BDO Stoy Hayward, and to authorise the directors to fix their remuneration for the ensuing year.

## AS SPECIAL BUSINESS

- 7 To consider and, if thought fit, pass the following resolution which will be proposed as a Special Resolution:  
That the name of the company be and it is hereby changed to W T Foods plc with immediate effect.

BY ORDER OF THE BOARD  
ALAN MARTIN FCA  
SECRETARY  
13 JUNE 1995

2 APEX POINT, TRAVELLERS LANE  
WELHAM GREEN, HATFIELD  
HERTFORDSHIRE AL9 7HF

## Notes

- 1 Any member of the Company who is entitled to vote at the above-mentioned Annual General Meeting may appoint another person or persons (whether a member or not) as their proxy to attend and, on a poll, to vote on their behalf.
- 2 To be valid, Forms of Proxy must be lodged with the Company's Registrars, Connaught St Michaels Limited, PO Box 30, CSM House, Victoria Street, Luton, Bedfordshire, LU1 2BR by 4.00 pm on 18 July 1995.
- 3 In the case of a corporation, the Form of Proxy should be executed under its common seal or signed by a duly authorised officer or attorney of the corporation.
- 4 Completing and returning a Form of Proxy will not prevent any member from attending the meeting in person and voting should they so wish.
- 5 The following documents will be available at the registered office of the Company on any weekday (except Saturday) during normal business hours and at the place of the meeting for a period of fifteen minutes before the meeting:
  - (a) The register of interests of the Company's directors in the shares of the Company which is maintained under Section 325 of the Companies Act 1985.
  - (b) A copy of the Company's contracts of service pertaining to directors with service contracts.

**West Trust PLC**

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