

AVON FOOD MACHINERY LIMITED

COMPANY NO. 02532302

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996  
TOGETHER WITH DIRECTORS' AND ACCOUNTANTS' REPORTS



# AVON FOOD MACHINERY LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 1996

The directors present their annual report on the affairs of the company, together with the financial statements and the accountants' report for the year ended 30 September 1996.

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

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

#### **ACTIVITIES:**

The principal activity of the company is that of dealers in new and reconditioned food processing machinery.

#### **TRADING RESULTS AND DIVIDENDS:**

The results for the year are as set out on page 4 of these financial statements.

The directors do not recommend payment of a dividend.

## FIXED ASSETS:

Information relating to changes in fixed assets is given in note 5 to the financial statements.

## DIRECTORS AND DIRECTORS' INTERESTS:

The following have served as directors for the whole of the year, and their beneficial interests in the £1 ordinary shares of the company throughout the year were -

	<u>1996</u>	<u>1995</u>
C.E. Dyer	20	20
S.G. Bailey	80	80

BY ORDER OF THE BOARD

*S G Bailey*

### S.G. BAILEY

Secretary and Director  
Avon Food Machinery Limited  
Unit 3 Speedwell Estate  
Knowles Road  
CLEVEDON  
North Somerset  
BS21 7PX

15 October 1997

## ACCOUNTANTS' REPORT TO THE MEMBERS OF AVON FOOD MACHINERY LIMITED

We report on the accounts for the year ended 30 September 1996 set out on pages 4 to 11.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 1 and 6, the company directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report an opinion.

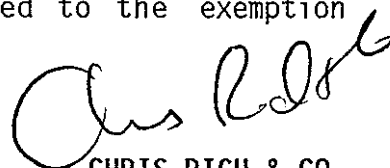
### BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

### OPINION

In our opinion:

- a. the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- b. having regard only to, and on the basis of, the information contained in those accounting records:
  - i. the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act, and
  - ii. the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



CHRIS RICH & CO.  
7 BERKELEY SQUARE  
CLIFTON  
BRISTOL

15 October 1997

AVON FOOD MACHINERY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
Turnover		138,478	164,539
Cost of sales		(139,125)	(135,287)
Gross profit		----- (647)	----- 29,252
Other operating expenses	1	(45,324)	(46,066)
Operating profit (loss)		----- (45,971)	----- (16,814)
Interest payable		(6,771)	(4,438)
Profit (loss) on ordinary activities before taxation	2	----- (52,742)	----- (21,252)
Taxation credit (charge)		-	-
Loss on ordinary activities after taxation		----- (52,742)	----- (21,252)
Insurance proceeds		-	-
Retained (deficit) brought forward		(12,220)	9,032
Retained (deficit) carried forward		----- (64,962) =====	----- (12,220) =====

The accompanying notes form an integral part of this statement.

AVON FOOD MACHINERY LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
FIXED ASSETS	5	1,804	4,528
		-----	-----
CURRENT ASSETS:			
Stock	6	18,733	37,916
Debtors	7	8,924	23,662
Cash at bank and in hand		262	1,561
		-----	-----
		27,919	63,139
		-----	-----
CREDITORS:			
Amounts falling due within one year	8	39,073	48,943
		-----	-----
NET CURRENT ASSETS		39,073	14,196
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		(9,350)	18,724
CREDITORS:			
Amounts falling due after one year	9	(55,512)	(30,844)
		-----	-----
NET ASSETS (LIABILITIES)		(64,862)	(12,120)
		=====	=====
CAPITAL AND RESERVES:			
Called up share capital	10	100	100
Profit and loss account		(64,962)	(12,220)
		-----	-----
		(64,862)	(12,120)
		=====	=====

AVON FOOD MACHINERY LIMITED

BALANCE SHEET - CONTINUED

The directors confirm that:

- a. for the year ended 30 September 1996, the company was entitled to the exemption conferred by Section 249A(2) of the Companies Act 1985;
- b. no notice has been deposited under Section 249B(2) in relation to its accounts for the year ended 30 September 1996;
- c. the directors acknowledge their responsibilities for:
  - i. ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985;
  - ii. prepare accounts 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 its results for the financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Act relating to accounts so far as applicable to the company;

These financial statements were approved by the board on 15 October 1997

S.G. Bailey.....

S.G. BAILEY

The accompanying notes form an integral part of this balance sheet.

## AVON FOOD MACHINERY LIMITED

### STATEMENT OF ACCOUNTING POLICIES

A summary of the principal accounting policies is set out below, all of which have been applied consistently throughout the year.

**a. Basis of accounting:**

The financial statements have been prepared under the historical cost convention.

**b. Tangible fixed assets:**

Fixed assets are stated at cost. Depreciation is provided at rates to write off the cost, less estimated residual value of each asset over its expected useful life, on a straight line basis at the following annual rates -

Motor vehicles	- 25%
Plant and equipment	- 20%

**c. Stocks:**

Stocks are valued at the lower of cost and net realisable value. Cost includes materials, direct labour and an appropriate proportion of overhead.

**d. Turnover:**

Turnover comprises the value of sales less credits, trade discounts and VAT.

**e. Deferred taxation:**

Deferred taxation is provided using the liability method in respect of all timing differences except where, based upon present forecasts, the directors consider that there is a reasonable probability that the tax liability will not arise for at least three years and there is no indication that the situation is likely to change after that period.

No provision is made for deferred taxation.

**f. Cash flow statement:**

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company.



AVON FOOD MACHINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1996

	<u>1996</u>	<u>1995</u>
	£	£
1. OTHER OPERATING EXPENSES:		
Administration expenses	45,324 =====	46,066 =====
2. PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION:		
The profit (loss) is stated after charging -		
Depreciation of fixed assets	2,724	5,889
Directors' remuneration	1,500 =====	4,409 =====
3. STAFF COSTS:		
Employees costs during the year (including directors) amounted to -		
Wages and salaries	22,705	25,808
Social Security costs	1,852	2,387
Pension costs	229 -----	305 -----
	24,786 =====	28,500 =====
The average weekly number of employees, including directors, during the year was as follows -		
Office management	1	1
Production	3 -----	2 -----
	4 =====	3 =====
4. TAXATION:		
	£	£
The taxation (credit) charge based on the result for the year comprises -		
Corporation tax at 25%	-	-
Current taxation	- =====	- =====

# AVON FOOD MACHINERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 1996

### 5. FIXED ASSETS:

	<u>Plant &amp; Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£
<b>COST -</b>			
Brough forward	18,201	8,995	27,196
Disposals	-	(3,000)	(3,000)
	-----	-----	-----
At 30 September 1996	18,201	5,995	24,196
	-----	-----	-----
<b>DEPRECIATION -</b>			
Brought forward	15,171	7,497	22,668
Charge	1,226	1,498	2,724
Re: disposals	-	(3,000)	(3,000)
	-----	-----	-----
At 30 September 1996	16,397	5,995	22,392
	-----	-----	-----
<b>NET BOOK VALUE -</b>			
At 30 September 1996	1,804	-	1,804
	=====	=====	=====
At 30 September 1995	3,030	1,498	4,528
	=====	=====	=====

### 6. STOCK AND WORK-IN-PROGRESS:

	<u>1996</u>	<u>1995</u>
	£	£
Goods held for resale	18,733	37,916
	=====	=====

### 7. DEBTORS:

Debtors comprise -		
Trade debtors	7,664	21,489
Prepayments	-	873
Corporation tax	1,260	1,300
	-----	-----
	8,924	23,662
	=====	=====

AVON FOOD MACHINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 1996

	<u>1996</u>	<u>1995</u>
	£	£
8. CREDITORS:		
Amounts falling due within one year -		
Bank overdraft	8,227	30,674
Trade creditors	22,315	12,734
Taxation and Social Security	6,781	4,295
Corporation tax	-	40
Accruals	1,750	1,200
	<u>39,073</u>	<u>48,943</u>
	=====	=====

9. CREDITORS:

Amounts falling due after one year -		
Directors' loans	55,512	30,844
	=====	=====

The bank loan and overdraft are secured by an unlimited debenture over all the company's assets.

10. CALLED UP SHARE CAPITAL:

The share capital at the end of the year comprised -

	<u>Authorised</u>	<u>Issued and fully paid</u>
	£	£
Ordinary shares of £1 each	1,000	100
	=====	===