



**GORDON JOPLING (PROCESSING)
LIMITED**

FINANCIAL STATEMENTS

31 DECEMBER 2001

Company Registration Number 2984029

BAKER TILLY
Chartered Accountants & Registered Auditors
Barclays House
41 Park Cross Street
Leeds
LS1 2QH



GORDON JOPLING (PROCESSING) LIMITED



THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2001.

Principal activities and business review

The principal activity of the company during the year was the processing of food ingredients.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2001 £	2000 £
Proposed dividends on ordinary shares	-	25,000
Dividends paid on ordinary shares	22,500	10,000
Dividends paid on preference shares	1,565	2,943
	<u>24,065</u>	<u>37,943</u>

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		At 31 December 2001	At 1 January 2001
Mr G Jopling	Ordinary shares	26,000	26,000
	Preference shares	-	7,500
Mrs M Bartlett	Ordinary shares	12,000	12,000
	Preference shares	-	7,500
Mr C Jopling	Ordinary shares	12,000	12,000
		-	-
Mr N Addy		-	-
		-	-
Mr W Kempf		-	-
		-	-
		<u>-</u>	<u>-</u>

No right to subscribe for shares in or debentures of the company was granted or exercised during the year.

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 at the end of the year and of the profit or loss for the year then ended.

GORDON JOPLING (PROCESSING) LIMITED



THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2001

Directors' responsibilities *(continued)*

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

Donations

During the year the company made the following contributions:

	2001	2000
	£	£
Charitable	<u>100</u>	<u>1,000</u>

Purchase of own shares

During the year the remaining 15,000 preference shares of £1 each were redeemed for a total consideration of £22,500 in accordance with the agreement for redemption.

Auditors

A resolution to re-appoint Baker Tilly (formerly HLB Kidsons) as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Shawfield Road
Carlton Industrial Estate
Barnsley
S71 3HS

Signed by order of the directors

Mrs Caroline Jopling
Company Secretary

Approved by the directors on 14 May 2002

GORDON JOPLING (PROCESSING) LIMITED



AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 DECEMBER 2001

Independent auditors' report to the shareholders of Gordon Jopling (Processing) Limited

We have audited the financial statements on pages 5 to 17 of Gordon Jopling (Processing) Limited for the year ended 31 December 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, 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 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.

GORDON JOPLING (PROCESSING) LIMITED



AUDITORS' REPORT TO THE SHAREHOLDERS (CONTINUED)

YEAR ENDED 31 DECEMBER 2001

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 2001 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Barclays House
41 Park Cross Street
Leeds
LS1 2QH

BAKER TILLY
Chartered Accountants
& Registered Auditors

14 May 2002

GORDON JOPLING (PROCESSING) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2001**

	Note	2001 £	2000 £
Turnover	2	6,249,335	4,852,456
Cost of sales		3,826,241	2,949,516
Gross profit		2,423,094	1,902,940
Administrative expenses		1,946,104	1,654,267
Other operating income		(4,789)	(1,094)
Operating profit	3	481,779	249,767
Interest payable and similar charges	6	71,110	41,134
Profit on ordinary activities before taxation		410,669	208,633
Tax on profit on ordinary activities	7	(87,144)	(44,446)
Profit on ordinary activities after taxation		323,525	164,187
Dividends (including non-equity)	8	24,065	37,943
Retained profit for the financial year		299,460	126,244

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

All of the activities of the company are classed as continuing.

GORDON JOPLING (PROCESSING) LIMITED



BALANCE SHEET

31 DECEMBER 2001

	Note	£	2001 £	2000 £
Fixed assets				
Tangible assets	9		1,739,927	1,097,473
Current assets				
Stocks	10	209,042		164,538
Debtors	11	1,046,062		586,776
Cash at bank and in hand		87,398		16,496
		1,342,502		767,810
Creditors: amounts falling due within one year	12	(1,512,467)		(1,026,717)
Net current liabilities			(169,965)	(258,907)
Total assets less current liabilities			1,569,962	838,566
Creditors: amounts falling due after more than one year	13		(594,442)	(169,087)
			975,520	669,479
Provisions for liabilities and charges				
Deferred taxation	15		(63,081)	(24,000)
Government grants	16		-	(10,000)
			912,439	635,479
Capital and reserves				
Called-up share capital	20		50,000	65,000
Capital redemption reserve	21		30,000	15,000
Profit and loss account	22		832,439	555,479
Shareholders' funds (including non-equity interests)	23		912,439	635,479

These financial statements were approved by the directors on the 14 May 2002 and are signed on their behalf by:

Mr G Jopling

GORDON JOPLING (PROCESSING) LIMITED



CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2001

	Note	£	2001 £	2000 £
Net cash inflow from operating activities	24		506,809	424,856
Returns on investments and servicing of finance				
Interest paid		(49,255)		(32,720)
Interest element of hire purchase		(21,724)		(8,271)
Non-equity dividends paid		(1,565)		(2,943)
			(72,544)	(43,934)
Taxation			(45,338)	(52,954)
Capital expenditure				
Payments to acquire tangible fixed assets		(896,488)		(414,671)
Receipts from sale of fixed assets		18,499		20,038
			(877,989)	(394,633)
Equity dividends paid			(47,500)	(10,000)
			(536,562)	(76,665)
Financing				
Purchase of own non-equity shares		(22,500)		(22,500)
Net inflow/(repayment) of bank loans		353,302		(87,701)
Capital element of hire purchase		285,497		47,674
			616,299	(62,527)
Increase/(decrease) in cash	25		79,737	(139,192)

GORDON JOPLING (PROCESSING) LIMITED



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

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

Buildings	- 2% straight line
Leasehold Property	- 2% straight line
Plant & Machinery	- 25% straight line
Fixtures & Fittings	- 25% straight line
Motor Vehicles	- 25% straight line

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

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

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

GORDON JOPLING (PROCESSING) LIMITED



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

1. Accounting policies (*continued*)

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Deferred government grants

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2001	2000
	£	£
United Kingdom	<u>6,249,335</u>	<u>4,852,456</u>

3. Operating profit

Operating profit is stated after charging/(crediting):

	2001	2000
	£	£
Amortisation of government grants re fixed assets	(10,000)	(25,000)
Depreciation	237,428	169,295
(Profit)/Loss on disposal of fixed assets	(1,893)	2,808
Auditors' remuneration		
- as auditors	3,300	3,300
Operating lease costs:		
Land and buildings	<u>16,125</u>	<u>21,125</u>

GORDON JOPLING (PROCESSING) LIMITED



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

4. Particulars of employees

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

	2001	2000
	No.	No.
Number of staff	<u>55</u>	<u>49</u>

The aggregate payroll costs of the above were:

	2001	2000
	£	£
Wages and salaries	968,372	775,836
Social security costs	97,009	68,785
Other pension costs	35,300	34,936
	<u>1,100,681</u>	<u>879,557</u>

5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2001	2000
	£	£
Emoluments receivable	257,607	137,177
Value of company pension contributions to money purchase schemes	23,812	27,750
	<u>281,419</u>	<u>164,927</u>

Emoluments of highest paid director:

	2001	2000
	£	£
Total emoluments (excluding pension contributions):	91,072	82,375
Value of company pension contributions to money purchase schemes	20,812	27,750
	<u>111,884</u>	<u>110,125</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2001	2000
	No.	No.
Money purchase schemes	<u>3</u>	<u>3</u>

GORDON JOPLING (PROCESSING) LIMITED



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

6. Interest payable

	2001	2000
	£	£
Interest payable on bank borrowing	49,234	32,065
Finance charges	21,724	8,271
Other similar charges payable	152	798
	<u>71,110</u>	<u>41,134</u>

7. Tax on profit on ordinary activities

	2001	2000
	£	£
In respect of the year:		
Corporation Tax based on the results for the year at 20% (2000 - 22.50%)	48,063	42,453
Increase in deferred tax provision (Note 15):		
Capital allowances	39,081	-
	<u>87,144</u>	<u>42,453</u>
Adjustment in respect of previous years:		
Corporation Tax	-	1,993
	<u>87,144</u>	<u>44,446</u>

8. Dividends

The following dividends have been paid or proposed in respect of the year:

	2001	2000
	£	£
Proposed dividend on ordinary shares	-	25,000
Dividend paid on ordinary shares	22,500	10,000
Dividend paid on preference shares	1,565	2,943
	<u>24,065</u>	<u>37,943</u>

GORDON JOPLING (PROCESSING) LIMITED



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

9. Tangible fixed assets

	Leasehold property £	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost						
At 1 Jan 2001	720,796	-	784,490	52,160	97,598	1,655,044
Additions	-	285,914	447,219	112,527	50,828	896,488
Disposals	-	-	-	-	(47,031)	(47,031)
At 31 Dec 2001	720,796	285,914	1,231,709	164,687	101,395	2,504,501
Depreciation						
At 1 Jan 2001	54,728	-	426,553	41,510	34,780	557,571
Charge for the year	14,416	3,107	179,367	14,710	25,828	237,428
On disposals	-	-	-	-	(30,425)	(30,425)
At 31 Dec 2001	69,144	3,107	605,920	56,220	30,183	764,574
Net book value						
At 31 Dec 2001	651,652	282,807	625,789	108,467	71,212	1,739,927
At 31 Dec 2000	666,068	-	357,937	10,650	62,818	1,097,473

Hire purchase agreements

Included within the net book value of £1,739,927 is £464,378 (2000 - £136,119) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £62,476 (2000 - £27,791).

Capital commitments

	2001 £	2000 £
Contracted but not provided for in the accounts	<u>127,500</u>	<u>-</u>

10. Stocks

	2001 £	2000 £
Raw Materials	<u>209,042</u>	<u>164,538</u>

GORDON JOPLING (PROCESSING) LIMITED



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

11. Debtors

	2001	2000
	£	£
Trade debtors	965,319	567,869
VAT recoverable	27,758	11,824
Prepayments and accrued income	52,985	7,083
	<u>1,046,062</u>	<u>586,776</u>

12. Creditors: amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts	452,033	360,868
Trade creditors	635,237	452,560
Hire purchase agreements	160,509	47,065
Dividends payable	-	25,000
Other creditors	224,889	133,118
Accruals and deferred income	39,799	8,106
	<u>1,512,467</u>	<u>1,026,717</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2001	2000
	£	£
Bank loans and overdrafts	<u>160,000</u>	<u>60,000</u>

As security, the bank holds the following:

- a) Charge over the premises at Shawfield Road Industrial Estate, Barnsley.
- b) Cross guarantee and debenture between Gordon Jopling (Processing) Limited and Gordon Jopling (Food Ingredients) Limited.

13. Creditors: amounts falling due after more than one year

	2001	2000
	£	£
Bank loans and overdrafts	373,302	120,000
Hire purchase agreements	221,140	49,087
	<u>594,442</u>	<u>169,087</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2001	2000
	£	£
Bank loans and overdrafts	<u>373,302</u>	<u>120,000</u>

GORDON JOPLING (PROCESSING) LIMITED



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

14. Creditors - capital instruments

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

	2001	2000
	£	£
In one year or less, or on demand	160,000	60,000
Between one and two years	160,000	60,000
Between two and five years	213,302	60,000
	<u>533,302</u>	<u>180,000</u>

15. Deferred taxation

	2001	2000
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	24,000	24,000
Increase in provision	39,081	-
Provision carried forward	<u>63,081</u>	<u>24,000</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2001	2000
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>63,081</u>	<u>24,000</u>

16. Government grants

	2001	2000
	£	£
Received and receivable:		
At 1 Jan 2001	60,000	60,000
At 31 Dec 2001	<u>60,000</u>	<u>60,000</u>
Amortisation:		
At 1 Jan 2001	50,000	25,000
Credit to profit and loss account	10,000	25,000
At 31 Dec 2001	<u>60,000</u>	<u>50,000</u>
Net balance at 31 Dec 2001	<u>-</u>	<u>10,000</u>

GORDON JOPLING (PROCESSING) LIMITED



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

17. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2001	2000
	£	£
Amounts payable within 1 year	160,509	47,065
Amounts payable between 1 and 2 years	141,476	-
Amounts payable between 3 and 5 years	79,664	49,087
	<u>381,649</u>	<u>96,152</u>

18. Contingencies

The company had outstanding forward exchange contracts as at 31 December 2001 amounting to £207,950 (2000: £710,000).

19. Related party transactions

Mr Gordon Jopling is the ultimate controlling shareholder.

Mr Gordon Jopling, Mr Neville Addy and Mrs Margrit Bartlett are all directors of Gordon Jopling (Food Ingredients) Limited with which the company trades under normal trading terms. At the 31st December 2001, the company owed Gordon Jopling (Food Ingredients) Limited £38,110 (2000: £65,777). During the year, supplies and purchases were made to and from Gordon Jopling (Food Ingredients) Limited to the total of £480,277 and £229,085 respectively.

During the year, management charges were levied from Gordon Jopling (Food Ingredients) Limited to the sum of £511,100 in respect of staff costs and other shared overheads.

20. Share capital

Authorised share capital:

	2001	2000
	£	£
50,000 Ordinary shares of £1.00 each	50,000	50,000
30,000 Preference shares of £1.00 each	30,000	30,000
	<u>80,000</u>	<u>80,000</u>

Allotted, called up and fully paid:

	2001		2000	
	No.	£	No.	£
Ordinary shares	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

15,000 preference shares of £1 each were redeemed on 13 November 2001 at a premium of 50p per share.

GORDON JOPLING (PROCESSING) LIMITED



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

21. Capital redemption reserve

	2001	2000
	£	£
Balance brought forward	15,000	-
Purchase of own shares	15,000	15,000
	<u>30,000</u>	<u>15,000</u>

22. Profit and loss account

	2001	2000
	£	£
Balance brought forward	555,479	501,635
Retained profit for the financial year	299,460	126,244
Redemption of preference shares	(15,000)	(15,000)
Capitalisation of reserves	-	(49,900)
Premium on redemption of preference shares	(7,500)	(7,500)
Balance carried forward	<u>832,439</u>	<u>555,479</u>

23. Reconciliation of movements in shareholders' funds

Equity shareholders' funds

	2001	2000
£	£	£
Profit for the financial year	323,525	164,187
Dividends	(24,065)	(37,943)
	<u>299,460</u>	126,244
New equity share capital subscribed	-	49,900
Less capitalised from reserves	-	(49,900)
	<u>-</u>	<u>-</u>
Purchase of own equity shares		
Premium on redemption of preference shares	(7,500)	(7,500)
Net addition to funds	291,960	118,744
Opening shareholders' equity funds	620,479	501,735
Closing shareholders' equity funds	<u>912,439</u>	<u>620,479</u>

Non-equity shareholders' funds

Opening shareholders' non-equity funds	15,000	30,000
Purchase of own non-equity shares	(15,000)	(15,000)
Closing shareholders' non-equity funds	<u>-</u>	<u>15,000</u>
Total shareholders' funds	<u>912,439</u>	<u>635,479</u>

GORDON JOPLING (PROCESSING) LIMITED



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

24. Reconciliation of operating profit to Net cash inflow from operating activities

	2001 £	2000 £
Operating profit	481,779	249,767
Interest payable	(131)	(143)
Depreciation	237,428	169,295
(Profit)/loss on disposal of fixed assets	(1,893)	2,808
Amortisation of government grants	(10,000)	(25,000)
(Increase)/decrease in stocks	(44,504)	44,382
(Increase)/decrease in debtors	(459,286)	193,361
Increase/(decrease) in creditors	303,416	(209,614)
Net cash inflow from operating activities	<u>506,809</u>	<u>424,856</u>

25. Reconciliation of net cash flow to movement in net debt

	£	2001 £	2000 £
Increase/(decrease) in cash in the period	79,737		(139,192)
Net cash (inflow)/outflow from bank loans	(353,302)		87,701
Net cash inflow in respect of hire purchase	<u>(285,497)</u>		<u>(47,674)</u>
		<u>(559,062)</u>	<u>(99,165)</u>
Change in net debt		(559,062)	(99,165)
Net debt at 1 Jan 2001		<u>(560,524)</u>	<u>(461,359)</u>
Net debt at 31 Dec 2001		<u>(1,119,586)</u>	<u>(560,524)</u>

26. Analysis of changes in net debt

	At 1 Jan 2001 £	Cash flows £	At 31 Dec 2001 £
Net cash:			
Cash in hand and at bank	16,496	70,902	87,398
Overdrafts	(300,868)	8,835	(292,033)
	<u>(284,372)</u>	<u>79,737</u>	<u>(204,635)</u>
Debt:			
Debt due within 1 year	(60,000)	(100,000)	(160,000)
Debt due after 1 year	(120,000)	(253,302)	(373,302)
Hire purchase agreements	(96,152)	(285,497)	(381,649)
	<u>(276,152)</u>	<u>(638,799)</u>	<u>(914,951)</u>
Net debt	<u>(560,524)</u>	<u>(559,062)</u>	<u>(1,119,586)</u>