



# Financial Statements AIMIA Foods Holdings Limited

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For the year ended 30 June 2011

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Company No 06201887

## Company information

<b>Company registration number :</b>	06201887
<b>Registered office :</b>	Penny Lane Haydock Merseyside WA11 0QZ
<b>Directors :</b>	Mr R N Unsworth Mr G Hudson Mr D A Drabble Mr S Johnson Mr P Mroczak Mr I M Unsworth Mr G N Unsworth
<b>Secretary :</b>	Mr D A Drabble (resigned 1 March 2011) Mrs L A Unsworth (appointed 1 March 2011)
<b>Bankers :</b>	The Co-operative Bank plc 1 Balloon Street Manchester M60 4EP
<b>Solicitors :</b>	DWF LLP No 1 Scott Place 2 Hardman Street Manchester M3 3AA
<b>Auditor :</b>	Grant Thornton UK LLP Registered Auditor Chartered Accountants 4 Hardman Square Spinningfields Manchester M3 3EB

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## Group Report of the directors

The directors present their report together with the audited financial statements for the year ended 30 June 2011

### **Principal activities**

The Group is principally engaged in the manufacture and distribution of food and beverage supplies into the vending, food service and retail sectors and the provision of contract packing services to the food industry

### **Review of the business and future developments**

The business achieved a record revenue total during the financial year, with sales of £52,873,000 representing a 3.5% growth on the prior year. In addition to the sales growth, the business also increased the underlying product gross margins from 16.8% the prior year to 17.4% in the current financial year.

The above achievements were supported by the Group's continued strategic move towards developing its branded beverage business and securing long term manufacturing partnerships with multi-national blue chip clients. Both of these strategic platforms have shown considerable growth over the past year and will continue to grow over the upcoming year.

The launch of the No Fear Extreme Energy Drink has proved to be a significant success, which justified the expansion of the Group's sales and marketing resource. Sales of this new branded launch exceeded £3 million in its first year and new additional Retail and Convenience store listings have recently been secured which will continue this momentum. A number of other key exclusive licensing agreements were also extended during the financial year.

In addition to successfully integrating the production requirement of a major High Street Coffee Shop Chain, the manufacturing division also successfully tendered for a further major long-term piece of business which will see the Group's overall level of jar packing more than double over the upcoming 12 months. The Group's manufacturing capabilities and credentials continue to be a key area of focus, with the recent addition of a re-sealable "eco-friendly" pouch line and the business retaining its status as the only food and beverage company in the UK with a BRC-A\* grade certification.

### **Key Performance Indicators (KPIs)**

The overall financial performance of the Group is measured at EBITDA level, before exceptional costs, which totalled £4,763,000 for the year (2010 £3,241,000). This exceptional cash generation enabled the Group to settle all the outstanding vendor loan notes and acquisition debt in the year, plus invest over a further £665,000 in the Group's factory facilities.

The overall net debt of the Group fell by £843,000 to £3,912,000. This represents a Debt EBITDA (pre-exceptional) of 0.86 (2010 1.47).

**Results and dividends**

The profit for the year after taxation amounted to £394,000 (2010 £526,000). The directors do not recommend the payment of a dividend.

**Financial risk management objectives and policies**

The Group uses a variety of financial instruments, including cash and items such as trade debtors and trade creditors that arise directly from day to day activities. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk, credit risk, price risk and currency risk. The directors review and agree policies for managing each of these risks and these are summarised below. These policies have remained unchanged from previous years.

**Liquidity risk**

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

**Going Concern risk**

The going concern assessment of the Group is outlined within the principal accounting policies.

**Interest rate risk**

The Group finances its operations through a mixture of retained profits, bank borrowings, invoice discounting and loan notes. The loan notes repaid in the period are non interest bearing.

**Credit risk**

The Group's principal financial assets are cash deposits, cash and trade debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from its trade debtors. In order to manage credit risk, credit limits are set and reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

**Price risk**

The Group is exposed to commodity price risk as a result of its operations. The Group reviews its commodity price exposure on a continual basis and enters into forward purchase contracts if considered appropriate. There were no forward purchase contracts unsettled at 30 June 2011.

**Currency risk**

The Group trades in the EU and also has a number of overseas suppliers. As a result, the Group reviews its currency exposure on a continual basis and will enter into hedges if considered necessary. Further disclosure is shown within note 23 to these financial statements.

### **Directors**

The directors who served the Group during the period were as follows

Mr R N Unsworth  
Mr G Hudson  
Mr D A Drabble  
Mr S Johnson  
Mr P Mroczak (appointed 1 July 2010)  
Mr G N Unsworth  
Mr I M Unsworth

### **Third party indemnity provision**

The Group continued to hold a qualifying third party indemnity provision for the benefit of directors

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as each of the directors is aware

- there is no relevant audit information of which the Group's auditor are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor are aware of that information

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Employee involvement**

The Group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Group. This is achieved through consultation with employee representatives.

**Disabled employees**

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made in order that their employment with the Group may continue. It is the policy of the Group that training, career development and promotion opportunities should be available to all employees.

**Charitable and political contributions**

The Group made no political contributions during the year (2010 £Nil). Donations to charitable organisations amounted to £6,800 (2010 £18,000).

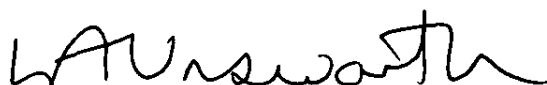
**Payment policy and practice**

It is the Group's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and to abide by them. Trade creditors at the period end amount to 54 (2010 55) days of average supplies for the period.

**Auditors**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD



L A Unsworth  
Secretary  
21 October 2011

## Report of the independent auditors to the members of AIMIA Foods Holdings Limited

We have audited the financial statements of Aimia Foods Holdings Limited for the year ended 30 June 2011 which comprise the principal accounting policies, the group profit and loss account, the group and parent company balance sheets, the group cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' responsibilities on pages 5 - 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2011 and of the group's profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.



## Report of the independent auditors to the members of AIMIA Foods Holdings Limited

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



John Shinnick  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP,  
Statutory Auditor, Chartered Accountants  
Manchester  
21 October 2011

## Principal accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Principles)

The principal accounting policies of the Group have remained unchanged from the previous year and are set out below. The directors have reviewed the policies in accordance with FRS 18 and consider them to be the most appropriate to the company's circumstances.

### **Going concern**

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 3. The Report of the directors also includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk.

The Group has considerable financial resources together with long standing relationships with a number of customers and suppliers across different geographic areas. As a consequence, the directors believe that the Group is well placed to manage its business risk successfully despite the current uncertain economic outlook.

### **Basis of consolidation**

The Group financial statements consolidate the accounts of the company and all of its subsidiary undertakings drawn up for the year ended 30 June 2011.

On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair value reflecting their condition at that date.

### **Turnover**

Turnover is the total amount receivable by the Group for goods supplied and services provided, excluding VAT and trade discounts. Revenue from the supply of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, which is at the point of despatch.

### **Investments**

Investments are included at cost less amounts written off.

### **Goodwill**

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life. Negative goodwill is written back to the profit and loss account to match the recovery of the non-monetary assets acquired.

### **Fixed assets**

All fixed assets are initially recorded at cost. All fixed assets are stated at cost, net of depreciation and any provision for impairment.

### **Depreciation**

Depreciation is calculated by the straight line method and aims to write off the cost, less estimated residual value, of all tangible fixed assets, except freehold land, over their expected useful economic life as follows

Leasehold improvements	3 – 10 years
Plant and machinery	3 – 10 years
Fixtures and fittings	5 years
Motor vehicles	3 years
Computer equipment	3 – 5 years

Those tangible fixed assets held for use under operating leases are depreciated over 4 years

### **Stocks**

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

Cost includes materials, direct labour, other direct overheads and royalties payable. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal

### **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 at a constant rate of charge on the balance of capital repayments outstanding

### **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

### **Lease income**

Payments received under operating leases are credited to the profit and loss account on a straight line basis over the lease term

### **Pension costs**

The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the profit and loss account

### **Current tax**

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is, or has been, recognised directly in the statement of total recognised gains and losses

### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

### **Foreign currency**

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account

### **Financial Instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

## Consolidated profit and loss account

	Note	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Turnover	1	52,873	51,079
Cost of sales		<u>(43,665)</u>	<u>(42,521)</u>
Gross profit		9,208	8,558
Distribution costs		(1,161)	(1,310)
Other administrative expenses	1	(4,939)	(5,220)
Exceptional administrative expenses	1	(2,277)	(1,032)
Total administrative expenses		<u>(7,216)</u>	<u>(6,252)</u>
Other operating income	1	<u>65</u>	<u>89</u>
Operating profit		896	1,085
Net interest	2	<u>(135)</u>	<u>(106)</u>
Profit on ordinary activities before taxation	1	761	979
Tax on profit on ordinary activities	4	(367)	(453)
Profit for the financial year	15	<u><u>394</u></u>	<u><u>526</u></u>

All of the activities of the Group are classed as continuing

The Group has no recognised gains or losses other than the profit for the year as set out above

The accompanying accounting policies and notes form part of these financial statements.

## Consolidated balance sheet

		Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
	Note		
<b>Fixed assets</b>			
Intangible assets	6	7,254	7,708
Tangible assets	7	1,668	2,153
		<u>8,922</u>	<u>9,861</u>
<b>Current assets</b>			
Stocks	9	4,058	3,569
Debtors	10	6,744	6,698
Cash at bank and in hand		1	416
		<u>10,803</u>	<u>10,683</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(16,528)</u>	<u>(16,000)</u>
<b>Net current liabilities</b>		<u>(5,725)</u>	<u>(5,317)</u>
<b>Total assets less current liabilities</b>		<b>3,197</b>	<b>4,544</b>
<b>Creditors : amounts falling due after more than one year</b>	12	<b>(402)</b>	<b>(2,143)</b>
<b>Net assets</b>		<u><b>2,795</b></u>	<u><b>2,401</b></u>
<b>Capital and reserves</b>			
Called up share capital	14	500	500
Capital redemption reserve	15	544	544
Profit and loss account	15	1,751	1,357
<b>Shareholders' funds</b>	16	<u><b>2,795</b></u>	<u><b>2,401</b></u>

The financial statements were approved and authorised for issue by the Board of Directors on 21 October 2011 and signed on their behalf by



Mr D A Drabble  
Director  
AIMIA Foods Holdings Limited  
Company No 06201887

The accompanying accounting policies and notes form part of these financial statements.

## Company balance sheet

		Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
	Note		
<b>Fixed assets</b>			
Investments	8	12,403	12,403
<b>Current assets</b>			
Debtors	10	110	110
<b>Creditors : amounts falling due within one year</b>	11	(11,631)	(10,131)
<b>Net current liabilities</b>		(11,521)	(10,021)
<b>Total assets less current liabilities</b>		882	2,382
<b>Creditors : amounts falling due after more than one year</b>	12	—	(1,500)
<b>Net assets</b>		882	882
<b>Capital and reserves</b>			
Called up share capital	14	500	500
Capital redemption reserve	15	544	544
Profit and loss account	15	(162)	(162)
<b>Shareholders' funds</b>	16	882	882

The financial statements were approved and authorised for issue by the Board of Directors on 21 October 2011 and signed on their behalf by



Mr D A Drabble  
Director  
AIMIA Foods Holdings Limited  
Company No. 06201887

The accompanying accounting policies and notes form part of these financial statements.

## Consolidated cash flow statement

		Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
	Note		
<b>Net cash inflow from operating activities</b>	17	<u>1,841</u>	<u>3,896</u>
<b>Returns on investments and servicing of finance</b>			
Interest paid on bank borrowings		(90)	(63)
Interest received		—	1
Finance charges		<u>(45)</u>	<u>(44)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(135)</u>	<u>(106)</u>
<b>Corporation tax paid</b>		(242)	(313)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(665)	(825)
Sale of tangible fixed assets		<u>44</u>	<u>83</u>
<b>Net cash outflow from capital expenditure and financial investment</b>		(621)	(742)
<b>Financing</b>			
Repurchase of ordinary shares		—	(120)
Sale of ordinary shares		—	120
Repurchase of irredeemable preference shares		—	(272)
Repayment of loan notes		(1,500)	(1,200)
Capital element of finance lease rentals		<u>(351)</u>	<u>(458)</u>
<b>Net cash outflow from financing</b>		(1,851)	(1,930)
<b>(Decrease)/increase in cash</b>	18	<u><u>(1,008)</u></u>	<u><u>805</u></u>

**The accompanying accounting policies and notes form part of these financial statements.**



## Notes to the financial statements

### 1 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation is attributable to the manufacture and distribution of food and beverage supplies into the vending, food service and retail sectors and the provision of contract packing services to the food industry

The prior year's profit and loss account has been amended to reflect the current year's reclassification of certain product related costs from administration expenses to cost of sales

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
The analysis of turnover by geographical market is		
United Kingdom	52,342	50,689
Overseas	531	390
	<u>52,873</u>	<u>51,079</u>

The profit on ordinary activities before taxation is stated after charging/(crediting)

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Auditors' remuneration		
- auditors' remuneration payable for the audit of the parent company	2	2
- auditors' remuneration payable for the audit of the company's subsidiaries	13	12
non-audit services		
- taxation - corporate tax compliance and tax advice	4	4
- all other services	5	5
Amortisation	454	454
Depreciation of owned fixed assets	608	409
Depreciation of assets held under finance leases and hire purchase agreements	528	261
Profit on sale of fixed assets	(30)	(83)
Operating lease rentals		
- Land and buildings	933	818
- other operating leases	74	64
	<u>2,073</u>	<u>1,032</u>
Exceptional operating expenses:		
- provision for permanent diminution in value of fixed assets	204	-
- provision in respect of GSOP scheme	<u>2,073</u>	<u>1,032</u>
Other operating income:		
- net rent receivable in respect of operating leases	<u>(65)</u>	<u>(89)</u>

**2 Net interest**

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Interest payable on bank loans and overdraft	90	64
Finance charges in respect of finance leases and hire purchase contracts	45	43
	<u>135</u>	<u>107</u>
Interest receivable	—	(1)
	<u>135</u>	<u>106</u>

**3 Directors and employees**

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Staff costs during the period were as follows		
Wages and salaries	6,569	6,484
Provision in respect of GSOP scheme	2,073	1,032
Social security costs	601	576
Pension costs	225	252
	<u>9,468</u>	<u>8,344</u>

	Year ended 30 June 2011 Number	Year ended 30 June 2010 Number
The average number of employees during the period was		
Production	145	142
Administration	101	102
	<u>246</u>	<u>244</u>

The total amounts for directors' remuneration and other benefits were as follows

	<b>Year ended 30 June 2011 £000</b>	<b>Year ended 30 June 2010 £000</b>
Emoluments	642	555
Provision in respect of GSOP scheme	1,940	970
Compensation for loss of office	—	88
Pension contributions	55	41
	<b><u>2,637</u></b>	<b><u>1,654</u></b>

During the period, 5 directors (2010 5 directors) participated in defined contribution schemes

Management and consultancy fees of £110,00 (2010 £85,000) were paid which comprised charges for the services of I Unsworth and G Unsworth

Directors' remuneration shown above included the following amounts payable in respect of the highest paid director

	<b>Year ended 30 June 2011 £000</b>	<b>Year ended 30 June 2010 £000</b>
Emoluments	101	91
Provision in respect of GSOP scheme	1,041	521
Contributions to money purchase schemes	13	11
	<b><u>1,155</u></b>	<b><u>623</u></b>

#### 4 Tax on profit on ordinary activities

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Analysis of charge in the year		
Current tax		
UK corporation tax based on the results for the period at 27.5% (2010: 28%)	437	269
Adjustment in respect of prior periods	(27)	(5)
	<u>410</u>	<u>264</u>
Deferred tax		
Origination and reversal of timing differences	(43)	167
Decrease in tax rate	—	22
Tax on profit on ordinary activities	<u>367</u>	<u>453</u>

#### Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the period differs from the standard rate of corporation tax in the UK of 27.5% (2010: 28%) for the reasons set out below:

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Profit on ordinary activities before taxation	<u>761</u>	<u>979</u>
Profit on ordinary activities before taxation multiplied by standard rate of tax of 27.5% (2010: 28%)	209	274
Effect of:		
Expenses not deductible for tax purposes	164	172
Capital allowances for the period in excess of depreciation	44	(163)
Other short term timing differences	20	(5)
Prior year adjustment	(27)	(5)
Marginal relief	—	(9)
Total current tax	<u>410</u>	<u>264</u>

#### 5 Profit for the financial year

The parent company has taken advantage of section 480 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's profit for the financial year was £Nil (2010: £339,000).

## 6 Intangible fixed assets

	Goodwill £000
<b>Cost</b>	
At 1 July 2010 and 30 June 2011	<u>9,069</u>
<b>Amortisation</b>	
At 1 July 2010	(1,361)
Provided in the year	<u>(454)</u>
<b>At 30 June 2011</b>	<u>(1,815)</u>
<b>Net book amount</b>	
At 30 June 2010	<u>7,708</u>
<b>Net book amount</b>	
At 30 June 2011	<u>7,254</u>

## 7 Tangible fixed assets

<b>Group</b>	<b>Leasehold improvements £000</b>	<b>Plant and machinery £000</b>	<b>Fixtures and fittings £000</b>	<b>Motor vehicles £000</b>	<b>Assets under construction £000</b>	<b>Total £000</b>
<b>Cost</b>						
At 1 July 2010	188	21,719	2,594	46	37	24,584
Additions	–	335	27	–	303	665
Transfers	–	23	–	–	(23)	–
Disposals	–	(178)	(13)	–	(14)	(205)
<b>At 30 June 2011</b>	<u>188</u>	<u>21,899</u>	<u>2,608</u>	<u>46</u>	<u>303</u>	<u>25,044</u>
<b>Depreciation</b>						
At 1 July 2010	85	19,860	2,454	32	–	22,431
Provided in the year	–	847	80	5	–	932
Impairment charge	–	204	–	–	–	204
Disposals	–	(178)	(13)	–	–	(191)
<b>At 30 June 2011</b>	<u>85</u>	<u>20,733</u>	<u>2,521</u>	<u>37</u>	<u>–</u>	<u>23,376</u>
<b>Net book amount</b>						
<b>At 30 June 2011</b>	<u>103</u>	<u>1,166</u>	<u>87</u>	<u>9</u>	<u>303</u>	<u>1,668</u>
<b>At 30 June 2010</b>	<u>103</u>	<u>1,859</u>	<u>140</u>	<u>14</u>	<u>37</u>	<u>2,153</u>

Included within the net book value of £1,668,053 is £300,264 (2010 £708,648) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £527,965 (2010 £260,687).

## 8 Investments

### Company

Cost	£000
At 30 June 2010 and at 30 June 2011	<u>12,403</u>

The investments comprise the following principal subsidiary undertakings

	Country of Incorporation	Class of share capital held	Proportion held		Nature of business
			by the Company	by the Group	
AIMIA Foods Group Limited	England and Wales	Ordinary	100%	100%	Intermediate holding company
AIMIA Foods Limited	England and Wales	Ordinary	—	100%	Food and beverage manufacturing and distribution
AIMIA Foods EBT Company Limited	England and Wales	Ordinary	100%	100%	Employee benefit trust
Stockpack Limited	England and Wales	Ordinary	—	100%	Dormant

## 9 Stocks

### Group

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Raw materials	2,122	1,573
Finished goods	<u>1,936</u>	<u>1,996</u>
	<u>4,058</u>	<u>3,569</u>

## 10 Debtors

### Group

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Trade debtors	5,307	5,380
Other debtors	145	125
Prepayments and accrued income	822	766
Deferred tax (note 13)	470	427
	<u>6,744</u>	<u>6,698</u>

### Company

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Amounts owed by Group undertakings	<u>110</u>	<u>110</u>

## 11 Creditors : amounts falling due within one year

### Group

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Bank overdraft	3,163	2,570
Trade creditors	6,416	6,507
Corporation tax	432	264
Social security and other taxes	170	169
Amounts due under finance leases and hire purchase agreements (note 12)	348	458
Other creditors	124	209
Accruals and deferred income	5,875	5,823
	<u>16,528</u>	<u>16,000</u>

### Company

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Amounts due to subsidiary undertakings	<u>11,631</u>	<u>10,131</u>

The finance leases are secured on the assets to which they relate

The invoice discounting facility included with bank overdraft is secured by an account assignment over the Barclays GE Trust bank account and by a fixed and floating charge over the assets of the business

**12 Creditors : amounts falling due after more than one year**

**Group**

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Amounts due under finance leases and hire purchase agreements	402	643
Loan notes	—	1,500
	<u>402</u>	<u>2,143</u>

**Company**

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Loan notes	—	1,500

Borrowings are repayable as follows

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
<b>Within one year</b>		
Amounts due under finance leases and hire purchase agreements	348	458
Bank Overdraft	3,163	2,570
<b>After one and within two years</b>		
Amounts due under finance leases and hire purchase agreements	175	310
<b>After two years and within five years</b>		
Amounts due under finance leases and hire purchase agreements	227	333
Loan notes	—	1,500
	<u>3,913</u>	<u>5,171</u>

The loan notes were issued to the vendors on the acquisition of AIMIA Foods Group Limited by AIMIA Foods Holdings Limited



### 13 Deferred taxation

#### Group

The movement in the deferred taxation asset during the period was

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Balance brought forward	(427)	(616)
Profit and loss account movement arising during the period	(43)	189
Balance carried forward	<u>(470)</u>	<u>(427)</u>

The deferred taxation asset calculated is set out below

	Year ended 30 June 2011 £000	Recognised Year ended 30 June 2010 £000
Accelerated capital allowances	(437)	(413)
Short term timing differences	(33)	(14)
	<u>(470)</u>	<u>(427)</u>

The directors believe that the deferred tax asset of £470,000 (2010 £427,000) recognised in the accounts will be recoverable against suitable profits arising in the future

### 14 Share capital

#### Group and Company

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
<b>Authorised</b>		
535,001 Ordinary shares of £1 each	535	535
543,750 Irredeemable preference shares of £1 each	544	544
	<u>1,079</u>	<u>1,079</u>
<b>Allotted, called up and fully paid</b>		
500,000 Ordinary shares of £1 each	500	500
	<u>500</u>	<u>500</u>

## 15 Reserves

Group	Capital redemption reserve £000	Profit and loss account £000
At 1 July 2010	544	1,357
Profit for the financial year	—	394
At 30 June 2011	<u>544</u>	<u>1,751</u>
Company	Capital redemption reserve £000	Profit and loss account £000
At 1 July 2010	544	(162)
Profit for the financial year	—	—
At 30 June 2011	<u>544</u>	<u>(162)</u>

## 16 Reconciliation of movements in shareholders' funds

Group	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Profit for the financial year	394	526
Shares redeemed in the year	—	(272)
Net additions to shareholders' funds	<u>394</u>	<u>254</u>
Opening shareholders' funds	<u>2,401</u>	<u>2,147</u>
Closing shareholders' funds	<u>2,795</u>	<u>2,401</u>
Company	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Profit for the financial year	—	339
Shares redeemed in the year	—	(272)
Net additions to shareholders' funds	<u>—</u>	<u>67</u>
Opening equity shareholders' funds	<u>882</u>	<u>815</u>
Closing equity shareholders' funds	<u>882</u>	<u>882</u>

**17 Net cash outflow from operating activities**

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
Operating profit	896	1,085
Depreciation	932	670
Impairment charge	204	-
Profit on disposal of tangible fixed assets	(30)	(82)
Amortisation of goodwill	454	454
(Increase)/decrease in stocks	(489)	496
Increase in debtors	(3)	(853)
(Decrease)/ increase in creditors	(123)	2,126
Net cash inflow from operating activities	<u>1,841</u>	<u>3,896</u>

**18 Reconciliation of net cash flow to movement in net debt**

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
(Decrease)/increase in cash in the year	(1,008)	805
Cash outflow from finance leases	484	458
Repayment of loan notes	1,500	1,200
Change in net debt resulting from cash flows	<u>976</u>	<u>2,463</u>
Inception of finance leases	(133)	(581)
Movements in debt in the period	843	1,882
Net debt at 30 June 2010	<u>(4,755)</u>	<u>(6,637)</u>
Net debt at 30 June 2011	<u>(3,912)</u>	<u>(4,755)</u>

**19 Analysis of changes in net debt**

	At 30 June 2010 £000	Cashflow £000	Other non cash items £000	At 30 June 2011 £000
Cash at bank and in hand	416	(415)	-	1
Overdrafts	(2,570)	(593)	-	(3,163)
	<u>(2,154)</u>	<u>(1,008)</u>	-	<u>(3,162)</u>
Loan notes	(1,500)	1,500	-	-
Finance leases	(1,101)	484	(133)	(750)
Net debt	<u>(4,755)</u>	<u>976</u>	<u>(133)</u>	<u>(3,912)</u>

## 20 Capital commitments

Neither the Group nor Company had any capital commitments at 30 June 2011 (2010 £Nil)

## 21 Contingent liabilities

There were no contingent liabilities at 30 June 2011 (2010 £Nil)

## 22 Leasing commitments

### Group and company

Operating lease payments amounting to £979,584 (2010 £1,004,000) are due within one year. The leases to which these amounts relate expire as follows

	Land and buildings		Other		Total	
	2011	2010	2011	2010	2011	2010
	£000	£000	£000	£000	£000	£000
Within one year	–	–	16	6	16	6
Within two to five years	463	488	55	65	518	553
Over five years	445	445	–	–	445	445
	<u>908</u>	<u>933</u>	<u>71</u>	<u>71</u>	<u>979</u>	<u>1,004</u>

## 23 Financial instruments

The Group incurs foreign currency risk on sales and purchases that are denominated in currencies other than sterling. The Group uses forward exchange contracts to hedge this risk. The fair value of the Group's forward contracts to buy US dollars at 30 June 2011 was £Nil (2010 £nil)

## 24 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 "Related party disclosures" and has not disclosed transactions with Group undertakings.

During the period, the group paid rent of £15,042 (2010 £Nil) to rent a property from Mr I M Unsworth and Mr R N Unsworth. As at 30 June 2011, the rent prepaid amounted to £6,375 (2010 £Nil).

## 25 Ultimate controlling party

Mr R N Unsworth owns 68% of the Company's ordinary share capital and is therefore the company's ultimate controlling shareholder.

## 26 Approval of financial statements

The financial statements were approved by the board and authorised for issue on 21 October 2011.