

Grant Thornton 

**REGISTERED**

02 OCT 2001

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**SAVOURY FOODS LIMITED**

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2000

# SAVOURY FOODS LIMITED

## ABBREVIATED ACCOUNTS

For the year ended 31 December 2000

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Company registration number: NI 4630

Registered office: Flush Park  
Knockmore Road  
Lisburn  
County Antrim  
BT28 2DX

Directors: Mr A T Robinson O.B.E.  
Mr B P Parkes  
Mr Tim Robinson  
Mrs B J Monson  
Mrs L C McCarthy  
Mr S D Pyper

Secretary: Mr S D Pyper

Bankers: Northern Bank Limited

Solicitors: Tughan & Co.  
Marlborough House  
30 Victoria Street  
Belfast  
BT1 3GS

Auditors: Grant Thornton  
Registered auditors  
Chartered accountants  
Water's Edge  
Clarendon Dock  
Belfast  
BT1 3 BH

# SAVOURY FOODS LIMITED

## ABBREVIATED ACCOUNTS

For the year ended 31 December 2000

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# SAVOURY FOODS LIMITED

## REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 2000.

### Principal activities

The company is principally engaged in the distribution of potato crisps, snack foods and confectionery.

There were no significant changes in the activities of the company during the year.

### Directors

Mr Tim Robinson and Mrs L C McCarthy retire by rotation and being eligible offer themselves for re-election.

The interests of the directors and their families in the shares of the company as at 31 December 2000 and 1 January 2000, or the date of their appointment to the Board if later, were as follows:

	Ordinary shares of £1 each	
	31 December 2000	1 January 2000
Mr A T Robinson O.B.E.	-	-
Mr B P Parkes	4,960	4,960
Mr Tim Robinson	110,000	110,000
Mrs B J Monson	57,000	57,000
Mrs L C McCarthy	57,000	57,000
Mr S D Pyper	2,000	2,000

### Directors' responsibilities for the financial statements

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# SAVOURY FOODS LIMITED

## REPORT OF THE DIRECTORS

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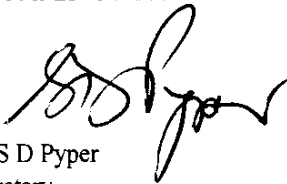
### Auditors

Osborne Cooke and Company, now practising as Grant Thornton, offer themselves for reappointment as auditors in accordance with article 392 of the Companies (Northern Ireland) Order 1986.

### Small company exemption

In preparing this directors' report, advantage has been taken of the special exemptions applicable to small companies.

BY ORDER OF THE BOARD



Mr S D Pyper  
Secretary  
1 June 2001

**REPORT OF THE AUDITORS TO SAVOURY FOODS LIMITED UNDER  
PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES (NORTHERN IRELAND) ORDER 1986**

We have examined the abbreviated accounts on pages 4 to 16 together with the full financial statements of Savoury Foods Limited prepared under article 234 of the Companies (Northern Ireland) Order 1986 for the year ended 31 December 2000.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Article 254 of the Companies (Northern Ireland) Order 1986. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver to the Registrar of Companies abbreviated accounts prepared in accordance with articles 254(5) and (6) of the Order and whether the abbreviated accounts have been properly prepared in accordance with those provisions.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with articles 254(5) and (6) of the Companies (Northern Ireland) Order 1986, and the abbreviated accounts on pages 4 to 16 have been properly prepared in accordance with those provisions.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

BELFAST  
1 June 2001

# SAVOURY FOODS LIMITED

## PRINCIPAL ACCOUNTING POLICIES

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### BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of land and buildings.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### TURNOVER

Turnover is the total amount receivable by the company for goods supplied excluding VAT and trade discounts.

### TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost or valuation less capital grants and estimated residual value of all tangible fixed assets other than land and investment properties over their expected useful lives. The rates generally applicable are:

Freehold buildings	1% to 4 % reducing balance
Plant and equipment	10% straight line
Motor vehicles : - vans	25% reducing balance
- cars	25% straight line
Fixtures and fittings	10% to 33% straight line

### INVESTMENT PROPERTIES

Certain of the company's properties are held for long-term investment and are included in the balance sheet at their open market values. The surpluses or deficits on annual revaluation of such properties are transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy represents a departure from the statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

### INVESTMENTS

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

### INTANGIBLE FIXED ASSETS

Purchased goodwill (Alexanders) is amortised on a straight-line basis over its estimated useful economic life of 10 years, and is based on the maximum amount referred to in the purchase agreement. Other purchased goodwill is amortised over 5 years.

### STOCKS

Stocks are stated at the lower of cost and net realisable value.

### DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

**CONTRIBUTIONS TO PENSION FUNDS**

**Defined benefit scheme**

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the average remaining service lives of current employees in the scheme.

**LEASED ASSETS**

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.



# SAVOURY FOODS LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2000

	Note	2000 £	1999 £
Gross profit		900,748	754,507
Distribution costs		(510,990)	(488,381)
Administrative expenses		(455,267)	(446,069)
<b>Operating loss</b>		<b>(65,509)</b>	<b>(179,943)</b>
<b>Exceptional items</b>			
Profit on sale of fixed assets	2	5,600	1,250
Income from other fixed asset investments	3	115,625	129,036
Other interest receivable and similar income	4	14,012	11,120
Interest payable and similar charges	4	(14,946)	(14,606)
<b>Profit on ordinary activities before taxation</b>	1	<b>54,782</b>	<b>(53,143)</b>
Tax on profit on ordinary activities	6	(12,110)	-
<b>Profit transferred to reserves</b>	14	<b>42,672</b>	<b>(53,143)</b>

All of the above figures relate to continuing activities.

There were no recognised gains or losses other than the profit for the financial year and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the loss on ordinary activities before taxation and the retained loss for the year and their historical cost equivalents.

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

# SAVOURY FOODS LIMITED

## ABBREVIATED BALANCE SHEET AT 31 DECEMBER 2000

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Intangible assets	7	114,945	118,022
Tangible assets	8	1,900,307	1,909,996
Investments	9	5,495	9,495
		<u>2,020,747</u>	<u>2,037,513</u>
<b>Current assets</b>			
Stocks	10	341,630	289,865
Debtors	11	1,286,910	809,570
Cash at bank and in hand		236,653	139,002
		<u>1,865,193</u>	<u>1,238,437</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,139,297)</u>	<u>(1,571,979)</u>
<b>Net current liabilities</b>		<u>(274,104)</u>	<u>(333,542)</u>
<b>Total assets less current liabilities</b>		<u>1,746,643</u>	<u>1,703,971</u>
<b>Capital and reserves</b>			
Called up share capital	13	246,880	246,880
Revaluation reserve	14	344,407	324,512
Profit and loss account	14	1,155,356	1,132,579
<b>Shareholders' funds</b>	19	<u>1,746,643</u>	<u>1,703,971</u>

In preparing these abbreviated accounts, we have relied on the exemptions for individual financial statements conferred by section A of Part I of Schedule 8 of the Companies (Northern Ireland) Order 1986 on the grounds that the company is entitled to the benefit of those exemptions as a medium sized company.

The abbreviated accounts were approved by the Board of Directors on 1 June 2001.

*A T Robinson*

Mr A T Robinson O.B.E.  
Director

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

# SAVOURY FOODS LIMITED

## CASH FLOW STATEMENT

For the year ended 31 December 2000

	Note	2000 £	1999 £
<b>Net cash inflow from operating activities</b>	16	<b>236,404</b>	(65,193)
<b>Returns on investments and servicing of finance</b>			
Interest received		14,012	11,120
Interest paid		(14,946)	(14,606)
Rents received		115,625	129,036
<b>Net cash inflow from returns on investments and servicing of finance</b>		<b>114,691</b>	125,550
<b>Taxation</b>		(55)	(55)
<b>Capital expenditure and financial investment</b>			
Purchase of intangible fixed assets		(14,278)	(59,395)
Purchase of tangible fixed assets		(40,940)	(52,548)
Sale of tangible fixed assets		3,700	2,000
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(51,518)</b>	(109,943)
<b>Acquisitions and disposals</b>			
Purchase of investments		-	(5,495)
Sale of investments		6,600	-
<b>Net cash inflow from acquisitions and disposals</b>		<b>6,600</b>	(5,495)
<b>Management of liquid resources</b>			
Deposits		77,317	97,279
<b>Net cash inflow from management of liquid resources</b>		<b>77,317</b>	97,279
<b>Financing</b>			
Repayment of borrowings		(16,930)	25,719
<b>Net cash outflow from financing</b>		<b>(16,930)</b>	25,719
<b>Increase in cash</b>	17	<b>366,509</b>	67,862

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

# SAVOURY FOODS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2000

### 1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:

	2000 £	1999 £
Depreciation and amortisation:		
Goodwill	17,355	16,250
Tangible fixed assets, owned	49,929	56,511
Other operating lease rentals	19,874	14,293

### 2 EXCEPTIONAL ITEMS

	2000 £	1999 £
Profit on sale of fixed assets	3,000	1,250
Profit on sale of fixed asset investments	2,600	
	5,600	1,250

### 3 INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2000 £	1999 £
Rents from investment properties	115,625	129,036

### 4 INTEREST PAYABLE AND SIMILAR CHARGES / NET INTEREST

	2000 £	1999 £
On bank loans and overdrafts	241	503
Other interest payable and similar charges	14,705	14,103
	14,946	14,606
Other interest receivable and similar income	(14,012)	(11,120)
	934	3,486

# SAVOURY FOODS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2000

### 5 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2000 £	1999 £
Wages and salaries	551,967	513,931
Social security costs	41,777	39,299
Other pension costs	2,000	1,000
	<u>595,744</u>	<u>554,230</u>

The average number of employees of the company during the year were as follows:

	2000 Number	1999 Number
Selling and distribution	22	22
Administration	12	12
	<u>34</u>	<u>34</u>

Remuneration in respect of directors was as follows:

	2000 £	1999 £
Emoluments	<u>203,711</u>	<u>204,478</u>

During the year 5 directors (1999: 5) participated in defined benefit pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2000 £	1999 £
Emoluments and long-term incentive schemes	<u>56,235</u>	<u>57,438</u>

### 6 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2000 £	1999 £
Corporation tax	<u>12,110</u>	<u>-</u>

# SAVOURY FOODS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2000

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### INTANGIBLE FIXED ASSETS

Purchased  
goodwill  
£

Cost or valuation

At 1 January 2000

149,222

Additions

14,278

At 31 December 2000

163,500

Amortisation

At 1 January 2000

31,200

Charge for the year

17,355

At 31 December 2000

48,555

Net book amount at 31 December 2000

114,945

Net book amount at 31 December 1999

118,022

# SAVOURY FOODS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2000

### TANGIBLE FIXED ASSETS

	Investment property £	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation						
At 1 January 2000	1,194,126	629,697	67,586	229,540	70,219	2,191,168
Additions	7,581	3,019	9,651	5,920	14,769	40,940
	1,201,707	632,716	77,237	235,460	84,988	2,232,108
Disposals	-	-	-	(30,826)	-	(30,826)
At 31 December 2000	1,201,707	632,716	77,237	204,634	84,988	2,201,282
Depreciation						
At 1 January 2000	-	61,502	14,986	150,990	53,694	281,172
Provided in the year	-	12,619	6,786	24,170	6,354	49,929
	-	74,121	21,772	175,160	60,048	331,101
Eliminated on disposals	-	-	-	(30,126)	-	(30,126)
At 31 December 2000	-	74,121	21,772	145,034	60,048	300,975
Net book amount at 31 December 2000	<u>1,201,707</u>	<u>558,595</u>	<u>55,465</u>	<u>59,600</u>	<u>24,940</u>	<u>1,900,307</u>
Net book amount at 31 December 1999	<u>1,194,126</u>	<u>568,195</u>	<u>52,600</u>	<u>78,550</u>	<u>16,525</u>	<u>1,909,996</u>

The figures stated above at valuation have the following historical costs:

	Investment property		Freehold land and buildings	
	2000	1999	2000	1999
	£	£	£	£
At cost	<u>1,135,311</u>	<u>1,127,730</u>	<u>609,745</u>	<u>606,726</u>

Investment properties were valued at 31 December 2000 by the directors on an open market existing use basis.

Freehold land and buildings were valued by the directors on 31 December 1999 on an open market existing use basis. Under the transitional provisions of FRS 15 the existing book values at that date have been carried forward as the valuations for Freehold land and buildings. No further revaluations have been carried out.

# SAVOURY FOODS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2000

If Investment property and Freehold land and buildings had not been revalued, they would have been included on the historical cost basis at the following amount:

	Investment property £	Freehold land and buildings £
Cost	1,135,311	609,745
Accumulated depreciation	49,990	279,171
Net book amount at 31 December 2000	<u>1,085,321</u>	<u>330,574</u>
Net book amount at 31 December 1999	<u>1,077,740</u>	<u>339,750</u>

## FIXED ASSETS INVESTMENTS

	Other investments £
Cost	
At 1 January 2000	9,495
Disposals	(4,000)
Net book amount at 31 December 2000	<u>5,495</u>
Net book amount at 31 December 1999	<u>9,495</u>
Comprising :	
S B Chemicals Limited - 5,494 Loan Notes of £1 each	£5,495

## STOCKS

	2000 £	1999 £
Finished goods and goods for resale	<u>341,630</u>	<u>289,865</u>



# SAVOURY FOODS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2000

### RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2000	324,512	1,132,579
Retained profit for the year	-	42,672
Transfer from revaluation reserve to profit and loss account	19,895	(19,895)
At 31 December 2000	<u>344,407</u>	<u>1,155,356</u>

### CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2000 or 31 December 1999.

### 16 NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating loss	(65,509)	(179,943)
Depreciation	67,284	72,761
Increase in stocks	(51,765)	(50,100)
Increase in debtors	(477,395)	(131,451)
Increase in creditors	763,789	223,540
Net cash inflow from continuing operating activities	<u>236,404</u>	<u>(65,193)</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2000 £	1999 £
Increase in cash in the year	366,509	67,862
Cash outflow from financing in the year	16,930	(25,719)
Cash inflow from decrease in liquid resources	(77,317)	(97,279)
Change in net debt resulting from cashflows	<u>306,122</u>	<u>(55,136)</u>
Movement in net debt in the year	306,122	(55,136)
Net debt at 1 January 2000	(173,286)	(118,150)
Net funds at 31 December 2000	<u>132,836</u>	<u>(173,286)</u>

# SAVOURY FOODS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2000

### 18 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2000 £	Cash flow £	At 31 December 2000 £
Cash in hand and at bank	283	174,968	175,251
Overdrafts	(191,541)	191,541	-
Debt	(120,747)	16,930	(103,817)
Current asset investments	138,719	(77,317)	61,402
	<u>(173,286)</u>	<u>306,122</u>	<u>132,836</u>

### 19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	<u>42,672</u>	(53,143)
Net increase in shareholders' funds	<u>42,672</u>	(53,143)
Shareholders' funds at 1 January 2000	<u>1,703,971</u>	1,757,114
Shareholders' funds at 31 December 2000	<u>1,746,643</u>	<u>1,703,971</u>

### 20 RELATED PARTIES

The amounts due to and from related parties as at 31 December 2000 are disclosed in the notes to the accounts as amounts owed by and due to related undertakings and directors' current accounts.

### 21 PENSIONS

#### Defined Benefit Scheme

The company operates a defined benefit pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The market value of scheme assets as at 31 August 1997 was £1,354,000. The actuarial value of those assets was sufficient to cover 158% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The surplus should be eliminated by 31 August 2001 by a contributions holiday, after which the employer's contribution rate of 14% of pensionable earnings, amortised over the remaining lifetime of the active membership, will recommence.

# SAVOURY FOODS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2000

### 11 DEBTORS

	2000 £	1999 £
Trade debtors	945,950	586,727
Other debtors	8,445	4,438
Loans to directors	3,500	-
Taxation recoverable	-	55
Prepayments and accrued income	329,015	218,350
	<u>1,286,910</u>	<u>809,570</u>

### CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdrafts	-	191,541
Trade creditors	1,078,788	312,680
Amounts owed to related undertakings	598,212	598,212
Corporation tax	12,000	-
Social security and other taxes	50,020	60,739
Other creditors	182,190	198,086
Loans from directors	103,817	120,747
Accruals and deferred income	114,270	89,974
	<u>2,139,297</u>	<u>1,571,979</u>

### 13 SHARE CAPITAL

	2000 £	1999 £
Authorised Ordinary shares of £1 each	250,000	250,000
Alotted, called up and fully paid Ordinary shares of £1 each	246,880	246,880