

MARFLEET REFINING COMPANY LIMITED
DIRECTORS' REPORT AND STATEMENT OF ACCOUNTS
For the year ended 31st October, 1982.



MARFLEET REFINING COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST OCTOBER, 1982

1. HOLDING COMPANY

The company is a wholly owned subsidiary of Imperial Foods Limited and its ultimate holding company is Imperial Group Public Limited Company.

2. PRINCIPAL ACTIVITIES

The principal activity of the company is the processing and marketing of marine and vegetable oils and fats.

3. TRADING RESULTS

The sales and profit of the company are set out on page 5. The net profit after taxation amounts to £1,100,514. An amount of £3,100,000 will be distributed as a dividend to the holding company, the balance of £1,999,486 is deducted from reserves.

4. DIRECTORS

The names of the Directors of the company as at the date of this report are set out below:

N. W. Alexander
S. A. Reed
C. O. Dixon
D. S. Lindsay
D. S. Sutton
K. T. Winkle

They all served as Directors throughout the year. N. W. Alexander is also a Director of Imperial Foods Limited.

The interests of the other Directors of the company in the ordinary shares of Imperial Group Public Limited Company on both 1st November 1981 and 31st October 1982, which are required to be notified to the company, according to the register kept by the company for the purposes of the Companies Act 1967 are set out below:

C. O. Dixon 200

No Director had any interest in any shares or debentures of the company or any other subsidiaries of Imperial Group Public Limited Company at either of the relevant dates.

MARFLEET REFINING COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST OCTOBER, 1982

(continued)

5. EMPLOYMENT OF DISABLED PEOPLE

The company's policy is:

- (i) to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; and
- (ii) to ensure that any disabled person who is in employment with the company receives, so far as practicable, the same opportunities for training, career development and promotions as other employees.

6. AUDITORS

The auditors of the company Peat, Marwick, Mitchell & Co. having signified their willingness to remain in office, a resolution is to be proposed at the forthcoming Annual General Meeting that they be re-appointed as auditors for the ensuing year.

By Order of the Board,

R. GRANT.

Secretary.

Hull.
22nd December, 1982.

REPORT OF THE AUDITORS TO THE MEMBERS OF

MARFLEET REFINING COMPANY LIMITED

We have audited the accounts on pages 4 to 11 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out on page 4, give a true and fair view of the state of the company's affairs at 31st October 1982 and of its deficiency and source and application of funds for the year to that date and comply with the Companies Acts 1948 to 1981.

Per. Marwick Mitchell & Co.

FEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

2/2a Low Dousegate, York.
22nd December, 1982.

MARFLEET REFINING COMPANY LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31ST OCTOBER 1982

BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention and in compliance with section 149A and Schedule 8A of the Companies Act 1948.

SALES

Sales represents the amounts invoiced to customers, including fellow subsidiaries, for goods and services supplied. They are stated net of value added tax.

STOCK (note 3)

Stocks have been valued at cost, including production overheads, less, where appropriate, provisions to reduce to net realisable value.

DEPRECIATION (note 1)

Depreciation, calculated on original cost less government grants, is provided on a straight line basis over the anticipated lives of all assets as follows:

Buildings	2%
Plant and equipment	10%-25%
Computers	20%
Goods vehicles	16 $\frac{2}{3}$ %-25%
Motor cars	25%

No depreciation is provided on freehold land.

GOVERNMENT GRANTS

Government grants are deducted from the cost of the assets to which they relate.

DEFERRED TAXATION (note 7)

The company's policy is in accordance with the principles contained in Statement of Standard Accounting Practice 15. No provision for taxation is made where it is estimated that none will be payable in the foreseeable future.

CONVERSION OF FOREIGN CURRENCIES

All transactions of a trading nature are converted at the rate of exchange ruling at the date of the transaction.

RESEARCH AND DEVELOPMENT EXPENDITURE

This expenditure is charged against revenue in the year in which it is incurred.

MARFLEET REFINING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER 1982

	Note	1982 £	1981 £
SALES		<u>26,959,432</u>	<u>21,681,191</u>
TRADING PROFIT BEFORE TAXATION	1	1,832,886	1,251,485
TAXATION BASED THEREON	2	<u>761,203</u>	<u>498,775</u>
PROFIT AFTER TAXATION		1,071,683	752,710
DIVIDEND DUE FROM SUBSIDIARY		<u>28,831</u>	<u>-</u>
		1,100,514	752,710
PROPOSED DIVIDEND		<u>3,100,000</u>	<u>750,000</u>
(DEFICIENCY)/SURPLUS FOR THE YEAR	9	<u>(1,999,486)</u>	<u>2,710</u>

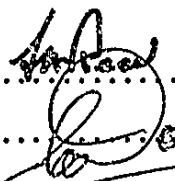
The notes on pages 8 to 11 form part of these accounts.

MARFLEET REFINING COMPANY LIMITED

BALANCE SHEET

AT 31ST OCTOBER 1982.

	Note	1982		1981	
		£	£	£	£
FIXED ASSETS	5		1,632,598		1,499,300
SHARES IN SUBSIDIARIES AT COST	6		1,486,643		100
CURRENT ASSETS					
Stocks	3	2,451,932		2,951,518	
Debtors		2,108,538		1,773,102	
Amounts due by group companies	4	1,297,563		636,409	
Cash in hand		95		561	
		<u>5,858,128</u>		<u>5,361,590</u>	
CURRENT LIABILITIES					
Creditors		3,355,117		3,275,524	
Amounts due to group companies	4	1,487,062		5,540	
Bank overdraft		38,152		91,018	
Corporation tax		764,360		506,744	
Proposed dividend		3,100,000		750,000	
		<u>8,744,691</u>		<u>4,628,826</u>	
Current assets less current liabilities			(2,886,563)		732,764
			<u>232,678</u>		<u>2,232,164</u>
FINANCED BY:					
Share capital	8		50,000		50,000
Reserves	9		182,678		2,182,164
			<u>232,678</u>		<u>2,232,164</u>

.....)
) DIRECTORS
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These accounts were approved by the Board of Directors on 22nd December 1982.
 The notes on pages 8 to 11 form part of these accounts.

MAKFLEET REFINING COMPANY LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST OCTOBER 1982

	1982	1981
	£	£
SOURCE OF FUNDS		
Profit before taxation	1,832,886	1,251,405
Adjustment for items not involving the movement of funds:		
Depreciation net of profits or losses on sale of fixed assets	244,589	224,711
	<u>2,077,475</u>	<u>1,476,196</u>
Dividend from subsidiary	28,831	-
Proceeds from the disposal of fixed assets	9,360	13,319
	<u>2,115,666</u>	<u>1,489,515</u>
APPLICATION OF FUNDS		
Purchase of fixed assets	387,247	263,139
Investment in subsidiary	1,486,543	-
Dividend paid	750,000	750,000
Tax paid	503,587	630,970
	<u>3,127,377</u>	<u>1,644,109</u>
(DECREASE) IN WORKING CAPITAL	<u>(1,011,711)</u>	<u>(154,594)</u>
(Decrease)/increase in stocks	(499,586)	133,198
Increase in debtors	335,436	407,994
Increase in amounts due by group companies	661,154	175,956
(Increase) in creditors	(79,593)	(780,426)
(Increase)/decrease in amounts due to group companies	<u>(1,481,522)</u>	<u>1,583</u>
	(1,064,111)	(61,695)
Increase/(decrease) in cash balance	52,400	22,899
	<u>(1,011,711)</u>	<u>(154,594)</u>

MARFLEET REFINING COMPANY LIMITED

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1982

1. TRADING PROFIT

	1982	1981
This is stated after charging to:	£	£
Depreciation	245,978	226,941
Directors' emoluments as executives (note 10)	Nil	Nil
Bank and other short-term interest	26,437	23,596
Auditors' remuneration	14,400	13,500
Hire of plant and vehicles	3,849	6,395
Profit on sale of fixed assets	(1,389)	(2,230)

2. TAXATION (note 7)

Provision has been made for corporation tax at 52% (1981 52%) on the profits of the year as follows:

Corporation tax:

On the profit for the year	764,360	506,744
Prior year adjustment	(3,157)	(7,969)
	<u>761,203</u>	<u>498,775</u>

The taxation charge for the period has been reduced by the effect of following differences not provided in the Profit and Loss Account.

Relief for increases in stock values	85,585	117,598
The excess of available capital allowances over depreciation provided in the accounts and other timing differences	104,558	27,322
	<u>190,143</u>	<u>144,920</u>

The provision of the Income and Corporation Taxes Act 1970 relating to close companies do not apply to the company.

3. STOCKS

Vegetable and marine oils	2,138,223	2,602,570
Consumable stores	313,709	348,948
	<u>2,451,932</u>	<u>2,951,518</u>

MARFLEET REFINING COMPANY LIMITED

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1982

(continued)

4. GROUP BALANCES	1982 £	1981 £
Amounts due by group companies:		
Immediate holding company	1,067,137	188,483
Fellow subsidiaries	<u>230,426</u>	<u>447,926</u>
	<u>1,297,563</u>	<u>636,409</u>
Amounts due to group companies:		
Fellow subsidiaries	419	5,440
Subsidiary companies	<u>1,486,643</u>	<u>100</u>
	<u>1,487,062</u>	<u>5,540</u>

5. FIXED ASSETS	Total	Motor Vehicles and Oil boats	Plant and Equipment	Short term leasehold land and buildings	Freehold land and buildings
<u>COST</u>	£	£	£	£	£
At 31st October 1981	2,561,502	228,277	2,065,476	5,854	261,895
Additions-outside suppliers	387,247	46,788	340,459	-	-
Disposals	(44,306)	(35,574)	(8,732)	-	-
At 31st October 1982	<u>2,904,443</u>	<u>239,491</u>	<u>2,397,203</u>	<u>5,854</u>	<u>261,895</u>
<u>DEPRECIATION</u>					
At 31st October 1981	1,062,202	109,430	879,007	5,854	67,911
Charge for the year	245,978	41,219	200,335	-	4,424
Eliminated in respect of disposals	(36,335)	(28,127)	(8,203)	-	-
At 31st October 1982	<u>1,271,845</u>	<u>122,522</u>	<u>1,071,134</u>	<u>5,854</u>	<u>72,335</u>
<u>WRITTEN DOWN VALUE</u>					
At 31st October 1982	1,632,598	116,969	1,326,069	-	189,560
At 31st October 1981	1,499,300	118,847	1,186,469	-	193,984
At 31st October there were the following commitments for capital expenditure:				1982 £	1981 £
Outstanding contracts				11,865	45,574
Authorised but not ordered		9,		5,826	283,197

MARFLEET REFINING COMPANY LIMITED

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1982
(continued)

6. SHARES IN SUBSIDIARIES

The company owns the whole of the share capital, 100 shares of £1 each, of British Cod Liver Oils Limited.

The company also owns the whole of the share capital, 26,663,300 non-cumulative preference shares of 1p each and 266,633 ordinary shares of 1p each, of Seven Seas Health Care Limited.

Consolidated accounts have not been prepared as the companies are wholly owned subsidiaries of a company incorporated in the United Kingdom.

Investment in:	1982 £	1981 £
British Cod Liver Oils Limited	100	100
Seven Seas Health Care Limited	<u>1,486,543</u>	<u>-</u>
	<u>1,486,643</u>	<u>100</u>

7. DEFERRED TAXATION

The directors have adopted the policies set out in Statement of Standard Accounting Practice 15. Having regard to the projected levels of capital expenditure it is considered that no provision for deferred taxation is necessary.

At 31st October 1982 there was a contingent liability for deferred taxation calculated at 52% in respect of the following items:

Accelerated depreciation and other timing differences	<u>748,120</u>	<u>677,007</u>
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8. SHARE CAPITAL

Authorised, issued and fully paid:
50,000 ordinary shares of £1 each

<u>50,000</u>	<u>50,000</u>
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9. RESERVES

At 31st October 1981

(Deficiency)/surplus for the year

2,182,164	2,179,454
<u>(1,999,486)</u>	<u>2,710</u>

Retained surplus at 31st October 1982

<u>182,678</u>	<u>2,182,164</u>
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10. DIRECTORS' EMOLUMENTS

The Directors of the company are employed by Imperial Foods Limited a fellow subsidiary of the ultimate holding company, and are remunerated by Imperial Foods Limited for their services to the Group. They did not receive any remuneration for their services as Directors of the company and it is not practicable to apportion specifically their emoluments for other services to the company.

MARFLEET REFINING COMPANY LIMITED

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1982
(continued)

11. CONTINGENT LIABILITY

No provision has been made in the accounts for a liability of £10,398 which represents that proportion of bills negotiated on export sales not covered by the Export Credit Guarantee Department.

12. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Imperial Group Public Limited Company a company incorporated in England. Imperial Foods Limited is the company's immediate holding company.