Companies House

Registration Number: 1245921 (England and Wales)

Davmet Trading Co. Limited and its Subsidiary Undertakings

Directors' Report and Financial Statements

for the 52 weeks ended 29th October 2004



Davmet Trading Co. Limited and its Subsidiary Undertakings

Company Information

Directors	A.H. Davis J.P. Davis W.D. Davis F.J. Troth R.J. Newitt
Secretary	F.J. Troth
Company Number	1245921 (England and Wales)
Registered Office	Well Court 14/16 Farringdon Lane, London, EC1R 3AU.
Auditors	Maurice J Bushell & Co. Well Court 14/16 Farringdon Lane, London, EC1R 3AU.
Bankers	Barclays Bank plc. 63/65 High Street, Rayleigh, Essex, SS6 7AJ.
Solicitors	Penmans Solicitors St. John's House Grover Walk, Corringham, Essex, SS17 7LN.

Davmet Trading Co. Limited and its Subsidiary Undertakings

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Davmet Trading Co. Limited and its Subsidiary Undertakings

Directors' Report

for the 52 weeks ended 29th October 2004

The directors present their report and the financial statements for the fifty-two week period ended 29th October 2004.

Principal Activity

The principal activity of the company in the period under review was that of meat wholesalers. The principal activity of the company's subsidiary undertaking was that of an import and export agency.

Review of the Business

A summary of the results of trading for the period is given on page 5 of the accounts.
Turnover has decreased by 9% to £13,093,379 during the period (2003 : increased by 6% to £14,388,693).
Both the level of business and the financial position at the end of the period were satisfactory. The directors expect that the present level of activity will be maintained in the foreseeable future.

Future Developments

In the opinion of the directors, there are no known future developments that will affect the trading of the company.

Dividends on Equity Shares

The directors do no propose that a dividend be paid on the ordinary shares.

Events Since The Period End

The directors consider that there have been no events since 29th October 2004 which materially affect the state of the affairs and results of the company and group for the period.

Directors and their Interests

The directors who served during the period and their interests in the company are as stated below:

	Ordinary shares	
	2004	**2003**
A.H. Davis	-	-
J.P. Davis	-	-
W.D. Davis	-	-
F.J. Troth	-	-
R.J. Newitt	-	-

In accordance with the Articles of Association, F.J. Troth and R.J. Newitt retire by rotation and being eligible offer themselves for re-election.

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Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and group and of the profit or loss of the company and group for that period. In preparing these the directors are required to:

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

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Maurice J Bushell & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 18th March 2005 and signed on its behalf by

A.H. Davis

A.H. Davis
Director

Davmet Trading Co. Limited and its Subsidiary Undertakings

Independent Auditors' Report to the Shareholders

We have audited the financial statements of Davmet Trading Co. Limited and its Subsidiary Undertakings for the fifty-two week period ended 29th October 2004 which comprise the Profit and Loss Account, the Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we may 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 responsibilty to anyone other than the company and 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

The directors' responsibilities for preparing the Annual Report and financial statements in accordance with the applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2 of the financial statements.

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 or group 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 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.

Independent Auditors' Report to the Shareholders

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Opinion

In our opinion the financial statements give a true and fair view of the state of both the company's and group's affairs as at 29th October 2004, and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Maurice J Bushell & Co.
Chartered Accountants &
Registered Auditor

Well Court
14/16 Farringdon Lane,
London, EC1R 3AU.

18th March 2005

Davmet Trading Co. Limited and its Subsidiary Undertakings

Consolidated Profit and Loss Account

for the 52 weeks ended 29th October 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Turnover	2		13,093,379		14,388,693
Cost of Sales			(12,368,430)		(13,597,228)
Gross Profit			724,949		791,465
Distribution costs		346,535		428,158	
Administrative expenses		260,853		263,819	
			(607,388)		(691,977)
Operating profit	3		117,561		99,488
Interest payable and similar charges	4		(86,061)		(93,713)
Profit on ordinary activities before taxation			31,500		5,775
Tax on profit on ordinary activities	6		(4,971)		-
Retained profit for the period			26,529		5,775
Retained profit brought forward		388,322		382,547	
Amortisation of goodwill arising on consolidation		(64,369)		(64,369)	
			323,953		318,178
Retained profit carried forward			350,482		323,953

The group's turnover and expenses all relate to continuing operations.

There are no recognised gains or losses other than the profit or loss for the above financial years

The notes on pages 9 to 20 form an integral part of these financial statements.

Davmet Trading Co. Limited and its Subsidiary Undertakings

Consolidated Balance Sheet

as at 29th October 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Intangible assets	7		1		1
Tangible assets	8(a)		3,364		5,044
			3,365		5,045
Current assets					
Stocks	10	1,589,591		1,790,979	
Debtors	11	1,351,688		1,450,508	
Cash at bank and in hand		1,272		128	
		2,942,551		3,241,615	
Creditors: amounts falling due within one year	12	(2,585,434)		(2,912,707)	
Net current assets			357,117		328,908
Net assets			360,482		333,953
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account			350,482		323,953
Shareholders' funds	14		360,482		333,953

The financial statements were approved by the board on 18th March 2005 and signed on its behalf by

A.H. Davis
Director

The notes on pages 9 to 20 form an integral part of these financial statements.

Davmet Trading Co. Limited and its Subsidiary Undertakings

Company Balance Sheet

as at 29th October 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	8(b)		3,362		5,042
Investments	9		11,000		11,000
			14,362		16,042
Current assets					
Stocks	10	1,589,591		1,790,979	
Debtors	11	1,385,620		1,494,114	
Cash at bank and in hand		1,221		128	
		2,976,432		3,285,221	
Creditors: amounts falling due within one year	12	(2,582,474)		(2,909,409)	
Net current assets			393,958		375,812
Total assets less current liabilities			408,320		391,854
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account			398,320		381,854
Shareholders' funds	14		408,320		391,854

The notes on pages 9 to 20 form an integral part of these financial statements.

Davmet Trading Co. Limited and its Subsidiary Undertakings

Consolidated Cash Flow Statement

for the 52 weeks ended 29th October 2004

	Notes	2004 £	2003 £
Reconciliation of operating profit to net cash inflow / (outflow) from operating activities			
Operating profit		117,561	99,488
Depreciation		1,680	2,062
(Increase) / Decrease in stocks		201,388	31,887
(Increase) / Decrease in debtors		98,820	(4,733)
Increase / (Decrease) in creditors		(285,459)	12,678
Net cash inflow from operating activities		133,990	141,382
CASH FLOW STATEMENT			
Net cash inflow from operating activities		133,990	141,382
Returns on investments and servicing of finance	21	(86,061)	(93,713)
Taxation	21	(491)	(2,493)
Increase / (Decrease) in cash in the period		47,438	45,176
Reconciliation of net cash flow to movement in net debt (Note 22)			
Increase / (Decrease) in cash in the period		47,438	45,176
Movement in net debt in the period		47,438	45,176
Net debt at 1st November 2003		(46,166)	(91,342)
Net debt at 29th October 2004		1,272	(46,166)

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax and transactions within the group, of sales made during the year.

1.3. Tangible fixed assets, depreciation and amortisation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	15% on Cost
Fittings and equipment	-	15% on Cost
Motor vehicles	-	20% on Cost

1.4. Leasing and hire purchase contracts

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for costs of realisation.

Provision is made where necessary for obsolescent, slow moving and defective stocks.

1.7. Pensions

The group operates a defined contribution pension scheme on behalf of its directors and certain employees. The pension scheme of the group is funded by contributions partly from the employees and partly from the group as a fixed percentage of the employee's basic salary.

Contributions are held in Trustee Administered Funds completely independent of the group's finances.

The pension costs charged in the financial statements represent the contribution payable by the group during the period.

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1.8. Deferred taxation

The accounting policy in respect of deferred taxation has been changed to reflect the requirements of *Financial Reporting Standard 19 ' Deferrred Taxation' and the Financial Reporting Standard for Smaller* Entities (effective June 2002). Deferred tax is provided using the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. The company has not adopted a policy of discounting deferred tax assets and liabilities.

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.10. Group accounts

The group accounts include the accounts of the company and its subsidiary undertakings. The results of those companies acquired or disposed of during the period are included for the periods of ownership. Intra-group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only.

Goodwill arising on consolidation of subsidiary undertakings and in respect of associated undertakings has been capitalised and fully written off to the profit and loss account. Goodwill comprises the excess of the purchase price over the fair value of the assets acquired.

In accordance with Section 230 of the Companies Act, a separate company profit and loss account has not been presented.

1.11. *Going concern*

After making enquiries, the directors have a reasonable expectation that the company and group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The directors consider that no additional disclosures in respect of going concern are necessary for the accounts to give a true and fair view.

2. Turnover

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

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3. Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	7,500	8,000
Depreciation and other amounts written off tangible assets	1,680	2,062
Operating lease rentals		
- Other operating leases	2,500	2,500

4. Interest payable and similar charges

	2004	2003
	£	£
Bank loan and overdraft interest	29,075	32,775
Invoice discounting interest	56,986	60,938
	86,061	93,713

5. Employees

Number of employees

The average monthly numbers of employees (including the directors) during the period were:	2004 Number	2003 Number
Sales and administration	2	2

Employment costs

	2004	2003
	£	£
Wages and salaries	62,721	56,959
Social security costs	6,418	6,227
Other pension costs	3,600	3,600
	72,739	66,786

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6. Taxation	2004 £	2003 £
Analysis of charge in period		
Charge for period	4,480	-
Prior period adjustments	491	-
	4,971	-
Deferred taxation		
Timing differences, origination and reversal	-	-
	4,971	-

7. Intangible fixed assets

	Goodwill £
Cost	
At 1st November 2003	64,370
At 29th October 2004	64,370
Amortisation	
At 1st November 2003	64,369
At 29th October 2004	64,369
Net book values	
At 29th October 2004	1
At 1st November 2003	1

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8(a). Group tangible fixed assets

	Plant & Machinery £	Fittings & Equipment £	Motor Vehicles £	Total £
Cost				
At 1st November 2003	8,730	30,297	8,400	47,427
At 29th October 2004	8,730	30,297	8,400	47,427
Depreciation				
At 1st November 2003	8,728	30,295	3,360	42,383
Charge for the period	-	-	1,680	1,680
At 29th October 2004	8,728	30,295	5,040	44,063
Net book values				
At 29th October 2004	2	2	3,360	3,364
At 1st November 2003	2	2	5,040	5,044

8(b). Company tangible fixed assets

	Plant & Machinery £	Fittings & Equipment £	Motor Vehicles £	Total £
Cost				
At 1st November 2003	4,868	28,343	8,400	41,611
At 29th October 2004	4,868	28,343	8,400	41,611
Depreciation				
At 1st November 2003	4,867	28,342	3,360	36,569
Charge for the period	-	-	1,680	1,680
At 29th October 2004	4,867	28,342	3,360	38,249
Net book values				
At 29th October 2004	1	1	3,360	3,362
At 1st November 2003	1	1	5,040	5,042

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9. Fixed asset investments

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Subsidiary undertakings				
At 1st November 2003	-	-	11,000	11,000
At 29th October 2004	-	-	11,000	11,000

Subsidiary undertakings

The company's investment in its subsidiary undertaking represents the cost of acquisition of the following companies.

	Country of registration or incorporation	Nature of business	*Proportion of ordinary shares held by company*
Gembridge Limited	England	Import and export agency	100%

At 29th October 2004, the aggregate of the share capital and reserves and the retained profit for the period then ended were:-

	Share capital and reserves	Profit for period
	£	£
Gembridge Limited	(36,839)	10,063

10. Stocks

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Stocks	1,589,591	1,790,979	1,589,591	1,790,979

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11. Debtors

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	1,304,627	1,395,593	1,303,458	1,394,179
Amounts owed by group undertakings	35,000	35,000	77,516	87,540
Other debtors	12,061	19,915	4,646	12,395
	1,351,688	1,450,508	1,385,620	1,494,114

12. Creditors: amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	-	46,294	-	46,106
Trade creditors	1,162,664	1,124,730	1,162,664	1,124,730
Corporation tax	4,480	-	4,480	-
Other taxes and social security costs	1,956	2,105	1,956	1,955
Other creditors	1,399,196	1,717,794	1,399,196	1,717,794
Accruals and deferred income	17,138	21,784	14,178	18,824
	2,585,434	2,912,707	2,582,474	2,909,409

13. Share capital

	2004	2003
	£	£
Authorised		
20,000 Ordinary shares of £1 each	20,000	20,000
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

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14. Reconciliation of movements in shareholders' funds

Group	2004 £	2003 £
Profit and loss reserve		
Profit for the period	26,529	5,775
Retained profit brought forward	388,322	382,547
Amortisation of goodwill arising on consolidation	(64,369)	(64,369)
	350,482	323,953
Equity shares	10,000	10,000
	360,482	333,953

Company	2004 £	2003 £
Profit and loss account	16,466	(1,270)
Retained profit brought forward	381,854	383,124
	398,320	381,854
Equity shares	10,000	10,000
	408,320	391,854

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15. Contingent liabilities

(a) Davmet Trading Co. Limited provided unlimited guarantees to Barclays Bank plc in respect of the overdrafts of Rayleigh Cold Store Limited and Houlton Meats Limited (both non-group companies). At 29th October 2004, Houlton Meats Limited had an overdraft of £330 (1st November 2003 : £398,314 overdraft) and Rayleigh Cold Store Limited had a credit balance of £1,207 (1st November 2003 : £4,508 credit).

(b) Davmet Trading Co. Limited has provided unlimited guarantees to TSB Commercial Finance with respect to debts owed by Houlton Meats Limited (a non-group company) under a joint factoring agreement. At 29th October 2004, the debt owed by Houlton Meats Limited amounted to £999,028 (1st November 2003 : £930,795).

(c) Davmet Trading Co. Limited has provided an umlimited guarantee to Barclays Bank plc in relation to the £750,000 mortgage provided to Houlton Meats Limited (a non-group company). At 29th October 2004 this amounted to £720,208 (1st November 2003 : £733,012).

(d) Davmet Trading Co. Limited has joint and several liability for VAT under a group registration scheme with Gembridge Limited (a subsidiary undertaking). At 29th October 2004 this amounted to a debit balance of £4,646 (1st November 2003 : £12,500 debit).

16. Pension commitments

The annual commitments under the group's scheme is for contributions of £3,600 (2003 : £3,600)

17. Ultimate parent undertaking

The company's parent undertaking is Davmet UK Limited, a company incorporated and registered in England and Wales.

18. Controlling interest

Davmet Trading Co. Limited is under the control of directors who run the company on a day to day basis. Davmet UK Limited, which owns 100% of the voting ordinary share capital, has the controlling interest in the company.

19. Post balance sheet events

There are no known post balance sheet events that affect the results for the period under review.

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20. Related party transactions

Houlton Meats Limited and Rayleigh Cold Store Limited are related parties as defined by Financial Reporting Standard 8 due to common influence from the directors over all companies.

Turnover to related parties

Turnover to related parties is as follows:

	2004 £	2003 £
Houlton Meats Limited	3,372,529	2,911,887

Purchases from related parties

Purchases from related parties is as follows:

	2004 £	2003 £
Houlton Meats Limited	2,060,800	566,208

Storage costs with related parties

Storage costs charged by related parties are as follows:

	2004 £	2003 £
Rayleigh Cold Store Limited	212,663	123,268

Management charges from related parties

Management charges by related parties are as follows:

	2004 £	2003 £
Houlton Meats Limited	35,000	35,000

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20. Related party transactions (continued)

Amounts due from related parties

Amounts outstanding from related parties, excluding directors, at the balance sheet date are as follows:

Name	Description of transaction	Amounts outstanding 2004 £	2003 £
Houlton Meats Limited	Trade debtor	297,383	202,048

The company expects this debt to be recoverable in full. No amounts have been written off the amounts outstanding.

Amounts due to related parties

Amounts owing to related parties, excluding directors, at the balance sheet date are as follows:

Name	Description of transaction	Amounts outstanding 2004 £	2003 £
Rayleigh Cold Store Limited	Trade creditor	24,824	25,029
	Loan account	487,914	487,914
		512,738	512,943

Name	Description of transaction	Amounts outstanding 2004 £	2003 £
Houlton Meats Limited	Trade creditor	214,341	175,787
	Loan account	394,584	468,371
		608,925	644,158

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21. Gross cash flows

	2004	2003
	£	£
Returns on investments and servicing of finance		
Interest paid	(86,061)	(93,713)
	(86,061)	(93,713)
Taxation		
Paid during year	(491)	(2,493)

22. Analysis of changes in net funds

	Opening balance	Cash flows	Non cash flows	Closing balance
	£	£	£	£
Cash at bank and in hand	128	1,144	-	1,272
Bank loans and overdrafts	(46,294)	46,294	-	-
Net funds	(46,166)	47,438	-	1,272