

Registration number: 01245921

Davmet Trading Co. Limited

Directors' report and financial statements

for the period ended 28th October 2011

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Davmet Trading Co. Limited

Company information

Directors	A H Davis W D Davis J P Davis F J Troth R J Newitt
Secretary	F J Troth
Company number	01245921
Registered office	6 - 7 Ludgate Square London EC4M 7AS
Auditors	Grosvenor Partners LLP 6 - 7 Ludgate Square London EC4M 7AS
Business address	Rayleigh Cold Store Stadium Way Benfleet Essex SS7 3NZ
Bankers	Barclays Bank plc 63 - 65 High Street Rayleigh Essex SS7 7AJ
Solicitors	Penmans Solicitors St John's House Grover Walk Corringham Essex

Davmet Trading Co. Limited

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Davmet Trading Co. Limited

Directors' report

for the period ended 28th October 2011

The directors present their report and the financial statements for the period ended 28th October 2011

Principal activity and review of the business

The principal activity of the company was that of meat wholesalers

Financial risk management objectives and policies

The company aims to minimise its financial risk exposure by implementing a series of ongoing actions with regards to its customers. This is done by debt insuring our customers against potential bad debts. If a bad debt occurs, we bear only 10% of the bad debt as the remaining 90% is fully insured.

Liquidity risk is managed by controlling cash availability through the use of a debt factoring arrangement. Cash is immediately available when a sale invoice is raised and is only drawn down when cash is needed based on forecasted availability. There is a huge cash availability surplus at the year end. This arrangement is run with our sister company as a joint scheme.

The risk of incurring excessive charges for stock handling and storage is controlled by implementing a conscious effort to only purchase stock which we can readily sell and there is deemed a demand for. By doing this, less working capital is tied up in slow moving stock which could be utilised more efficiently elsewhere.

The exposure to price risk is very much dependent upon general market fluctuations within the industry. Currently the lack of supply of certain produce is pushing the raw cost of meat up which we have been able to forward onto customers maintaining the same gross profit levels. This effect is felt less in the frozen sector as the produce has a potential infinite life span meaning some stock we have held for longer periods is being sold for a larger percentage. We are not so susceptible to immediate market conditions compared to fresh produce thus reducing price risk.

Directors

The directors who served during the period are as stated below

A H Davis

W D Davis

J P. Davis

F J Troth

R J Newitt

Davmet Trading Co. Limited

Directors' report

for the period ended 28th October 2011

continued

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 period. 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 law). 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 of the company and of the profit or loss of the company for that period. In preparing these financial statements, 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 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 company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

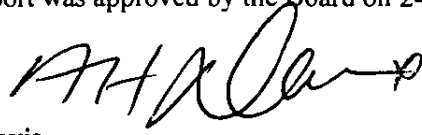
In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Grosvenor Partners LLP are deemed to be reappointed in accordance with an elective resolution made under Section 386(1) of the Companies Act 1985 which continues in force under the Companies Act 2006.

This report was approved by the Board on 24th February 2012 and signed on its behalf by



A.H. Davis
Director

Davmet Trading Co. Limited

Independent auditor's report to the shareholders

We have audited the financial statements of Davmet Trading Co Limited for the period ended 28th October 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the 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 auditors' 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 Directors' Responsibilities Statement set out on page 1 - 2, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28th October 2011 and of its profit for the period 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Davmet Trading Co. Limited

Independent auditor's report to the shareholders

continued

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

J. Horne

**James Horne (senior statutory auditor)
For and on behalf of Grosvenor Partners LLP
Chartered Accountants and
& Registered Auditor**

**6 - 7 Ludgate Square
London
EC4M 7AS**

24th February 2012

Davmet Trading Co. Limited

Profit and loss account

for the period ended 28th October 2011

		Continuing operations	
		Period ended	Period ended
		28th Oct '11	29th Oct '10
	Notes	£	£
Turnover	2	8,450,191	7,915,088
Cost of sales		(8,145,716)	(7,323,948)
Gross profit		<u>304,475</u>	<u>591,140</u>
Distribution costs		(103,344)	(133,990)
Administrative expenses		(158,823)	(325,129)
Operating profit	3	<u>42,308</u>	<u>132,021</u>
Interest payable and similar charges	5	<u>(27,916)</u>	<u>(40,000)</u>
Profit on ordinary activities before taxation		14,392	92,021
Tax on profit on ordinary activities	8	(2,275)	(19,503)
Profit for the period	15	<u>12,117</u>	<u>72,518</u>
Retained profit brought forward		<u>768,882</u>	<u>696,364</u>
Retained profit carried forward		<u><u>780,999</u></u>	<u><u>768,882</u></u>

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

The notes on pages 8 to 16 form an integral part of these financial statements.

Davmet Trading Co. Limited

Balance sheet

as at 28th October 2011

	Notes	28th Oct '11		29th Oct '10	
		£	£	£	£
Fixed assets					
Tangible assets	9		2		2
Investments	10		11,000		11,000
			<u>11,002</u>		<u>11,002</u>
Current assets					
Stocks	11	388,692		717,769	
Debtors	12	1,661,560		1,570,637	
Cash at bank and in hand		7,379		12,951	
		<u>2,057,631</u>		<u>2,301,357</u>	
Creditors: amounts falling due within one year	13	<u>(1,277,634)</u>		<u>(1,533,477)</u>	
Net current assets			<u>779,997</u>		<u>767,880</u>
Net assets			<u><u>790,999</u></u>		<u><u>778,882</u></u>
Capital and reserves					
Called up share capital	14	10,000		10,000	
Profit and loss account	15	780,999		768,882	
Shareholders' funds	16	<u><u>790,999</u></u>		<u><u>778,882</u></u>	

The financial statements were approved by the Board on 24th February 2012 and signed on its behalf by


A.H. Davis
 Director

Registration number 01245921

The notes on pages 8 to 16 form an integral part of these financial statements.

Davmet Trading Co. Limited

Cash flow statement

for the period ended 28th October 2011

		Period ended 28th Oct '11 £	Period ended 29th Oct '10 £
	Notes		
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		42,308	132,021
Depreciation		-	(1,700)
Decrease in stocks		329,077	169,231
(Increase) in debtors		(90,923)	274,094
(Decrease) in creditors		(245,182)	(547,198)
Net cash inflow from operating activities		<u>35,280</u>	<u>26,448</u>
Cash flow statement			
Net cash inflow from operating activities		35,280	26,448
Returns on investments and servicing of finance	20	(27,916)	(40,000)
Taxation	20	(12,936)	(5,615)
Capital expenditure	20	-	8,500
Decrease in cash in the period		<u>(5,572)</u>	<u>(10,667)</u>
Reconciliation of net cash flow to movement in net funds (Note 21)			
Increase in cash in the period		(5,572)	(10,667)
Cash outflow from decrease in debts and lease financing		-	26,749
Change in net funds resulting from cash flows		(5,572)	16,082
Net debt at 30th October 2010		<u>(841,751)</u>	<u>(921,531)</u>
Net funds at 28th October 2011		<u>(847,323)</u>	<u>(905,449)</u>

Davmet Trading Co. Limited

Notes to the financial statements

for the period ended 28th October 2011

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the period. Turnover is recognised when a sale leaves the warehouse or transfer of ownership of the goods is made to the sister company

1.3. Tangible fixed assets and depreciation

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	- 25% straight line
Fittings and equipment	- 25% straight line

1.4. Leasing

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 permanent diminution in value

1.6. Stock

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

1.7. Pensions

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

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings

2. Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK

Davmet Trading Co. Limited

Notes to the financial statements

for the period ended 28th October 2011

continued

	Period ended 28th Oct '11 £	Period ended 29th Oct '10 £
3. Operating profit		
Operating profit is stated after charging		
Operating lease rentals		
- Office equipment	1,375	1,500
Auditors' remuneration (Note 4)	9,000	8,500
	<u> </u>	<u> </u>
	Period ended 28th Oct '11 £	Period ended 29th Oct '10 £
4. Auditors' remuneration		
Auditors' remuneration - audit of the financial statements	9,000	8,500
	<u> </u>	<u> </u>
	Period ended 28th Oct '11 £	Period ended 29th Oct '10 £
5. Interest payable and similar charges		
Included in this category is the following		
Debt factoring interest	27,916	40,000
	<u> </u>	<u> </u>

Davmet Trading Co. Limited

Notes to the financial statements

for the period ended 28th October 2011

continued

6. Employees

	Period ended 28th Oct '11 Number	Period ended 29th Oct '10 Number
Number of employees		
The average monthly numbers of employees (including the directors) during the period were		
Sales and administration	1	2
	<u>1</u>	<u>2</u>
Employment costs	28th Oct '11	29th Oct '10
	£	£
Wages and salaries	44,392	168,277
Social security costs	4,193	12,340
Pension costs	1,100	1,200
	<u>49,685</u>	<u>181,817</u>

7. Pension costs

The company operates a defined contribution pension scheme in respect of the employee. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £1,100 (2010 - £1,200).

Davmet Trading Co. Limited

Notes to the financial statements

for the period ended 28th October 2011

continued

8. Tax on profit on ordinary activities	Period ended	Period ended
Analysis of charge in period	28th Oct '11	29th Oct '10
	£	£
Current tax		
UK corporation tax	<u>2,275</u>	<u>19,503</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (21 00 per cent) The differences are explained below

	28th Oct '11	29th Oct '10
	£	£
Profit on ordinary activities before taxation	<u>14,392</u>	<u>92,021</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21 00% (29th October 2010 21 00%)	3,022	19,324
Effects of:		
Capital allowances for period in excess of depreciation	-	179
Group relief surrendered	(683)	-
Amendment for reduction in tax rate	(64)	-
Current tax charge for period	<u>2,275</u>	<u>19,503</u>

Davmet Trading Co. Limited

Notes to the financial statements

for the period ended 28th October 2011

continued

9. Tangible fixed assets	Plant & Machinery £	Fittings & Equipment £	Total £
Cost			
At 30th October 2010	4,868	28,343	33,211
At 28th October 2011	<u>4,868</u>	<u>28,343</u>	<u>33,211</u>
Depreciation			
At 30th October 2010	4,867	28,342	33,209
At 28th October 2011	<u>4,867</u>	<u>28,342</u>	<u>33,209</u>
Net book values			
At 28th October 2011	<u>1</u>	<u>1</u>	<u>2</u>
At 29th October 2010	<u>1</u>	<u>1</u>	<u>2</u>

10. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 30th October 2010	11,000	11,000
At 28th October 2011	<u>11,000</u>	<u>11,000</u>
Net book values		
At 28th October 2011	<u>11,000</u>	<u>11,000</u>
At 29th October 2010	<u>11,000</u>	<u>11,000</u>

Davmet Trading Co. Limited

Notes to the financial statements

for the period ended 28th October 2011

continued

10.1. Subsidiary undertakings

The company's investments in its subsidiary undertakings represents the cost of acquisition of the following companies

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Gembridge Limited	England	Import agency	Ordinary	100%

11. Stocks	28th Oct '11	29th Oct '10
	£	£
Head office	388,692	717,769

12. Debtors	28th Oct '11	29th Oct '10
	£	£
Trade debtors	603,579	1,071,864
Amounts owed by group undertakings	35,000	36,000
Other debtors	1,022,981	462,773
	<u>1,661,560</u>	<u>1,570,637</u>

13. Creditors: amounts falling due within one year	28th Oct '11	29th Oct '10
	£	£
Trade creditors	518,552	610,165
Amounts owed to group undertaking	19,810	26,437
Corporation tax	2,275	12,936
Other taxes and social security costs	678	12,203
Other creditors	727,319	777,344
Accruals and deferred income	9,000	94,392
	<u>1,277,634</u>	<u>1,533,477</u>

Davmet Trading Co. Limited

Notes to the financial statements

for the period ended 28th October 2011

continued

14. Share capital	28th Oct '11 £	29th Oct '10 £
Authorised		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Equity Shares		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
 15. Equity Reserves	 Profit and loss account £	 Total £
At 30th October 2010	768,882	768,882
Profit for the period	<u>12,117</u>	<u>12,117</u>
At 28th October 2011	<u>780,999</u>	<u>780,999</u>
 16. Reconciliation of movements in shareholders' funds	 28th Oct '11 £	 29th Oct '10 £
Profit for the period	12,117	72,518
Opening shareholders' funds	<u>778,882</u>	<u>706,364</u>
Closing shareholders' funds	<u>790,999</u>	<u>778,882</u>
 17. Controlling interest		
The company does not have one controlling party in existence as control and management is held by the directors		

Davmet Trading Co. Limited

Notes to the financial statements

for the period ended 28th October 2011

continued

18. Related party transactions

Rayleigh Cold Store Limited is a related party as defined by Financial Reporting Standard 8 due to the fact that it is a 100% owned subsidiary

Houlton Meats Limited is a related party as defined by Financial Reporting Standard 8 due to common influence from the directors over both companies

<i>Sales to related parties</i>		28th Oct '11	29th Oct '10
During the financial year, sales were as follows		£	£
Houlton Meats Limited	(Meat sales)	3,552,754	3,031,319
		<u>3,552,754</u>	<u>3,031,319</u>
 <i>Purchases from related parties</i>		 28th Oct '11	 29th Oct '10
During the financial year, purchases were as follows		£	£
Houlton Meats Limited	(Meat purchases)	135,083	102,175
		<u>135,083</u>	<u>102,175</u>
Rayleigh Cold Store Limited	(Storage)	41,305	60,523
	(Transport)	20,101	65,187
		<u>61,406</u>	<u>125,710</u>
 <i>Amounts due from related parties</i>		 28th Oct '11	 29th Oct '10
Amounts outstanding at the balance sheet date were as follows		£	£
Rayleigh Cold Store Limited	Loan account (interest free)	620,028	620,028
		<u>620,028</u>	<u>620,028</u>
Houlton Meats Limited	Loan account (interest free)	1,020,894	460,916
	Trade debtor	114,533	296,147
	Trade creditor	(181,269)	(254,556)
		<u>954,158</u>	<u>502,507</u>

Davmet Trading Co. Limited

Notes to the financial statements

for the period ended 28th October 2011

continued

19. Going concern

There are no material uncertainties that may cast doubt about the company's ability to continue as a going concern

20. Gross cash flows

	28th Oct '11	29th Oct '10
	£	£

Returns on investments and servicing of finance

Interest paid	(27,916)	(40,000)
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Taxation

Corporation tax paid	(12,936)	(5,615)
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Capital expenditure

Payments to acquire tangible assets	-	(8,500)
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21. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	12,951	(5,572)	7,379
Net funds	<u>12,951</u>	<u>(5,572)</u>	<u>7,379</u>