

GOOD MORNING FOODS LIMITED

FINANCIAL STATEMENTS

27 JANUARY 1995

Registered number: 2090261

BISHOP FLEMING

CHARTERED ACCOUNTANTS



GOOD MORNING FOODS LIMITED

FINANCIAL STATEMENTS

for the 52 weeks ended 27 January 1995

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The following pages do not form part of the statutory accounts

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GOOD MORNING FOODS LIMITED

COMPANY INFORMATION

27 January 1995

Incorporated in Enland & Wales on 16 January 1987

Number 2090261

DIRECTORS

R Cardwell
PR Wilson

SECRETARY

Mrs M Cardwell

REGISTERED OFFICE

Unit 2
Netham Industrial Park
Redfield
Bristol

BANKERS

Midland Bank plc
79 Regent Street
Kingswood
Bristol

AUDITORS

Bishop Fleming
Chartered Accountants
19 Portland Square
Bristol

GOOD MORNING FOODS LIMITED

DIRECTORS' REPORT

27 January 1995

The directors present their report and the audited financial statements for the 52 weeks ended 27 January 1995.

Principal activity

The principal activity of the company was that of food distributors.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £64,606.

Profit, dividends and appropriations

The results for the 52 weeks are shown in the profit and loss account on page 5.

An ordinary dividend amounting to £23,112 is proposed and the balance of the profit for the 52 weeks is to be transferred to reserves.

Fixed assets

Changes in fixed assets during the year are set out in the notes to the accounts as follows

Intangible fixed assets	- note 8
Tangible fixed assets	- note 9

Directors

The directors of the company during the 52 weeks and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	27 January 1995 Ordinary shares	29 January 1994 Ordinary shares
R Cardwell	99	99
PR Wilson	1	1

continued

GOOD MORNING FOODS LIMITED

DIRECTORS' REPORT
(continued)

27 January 1995

Auditors

Bishop Fleming have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

*M. R. Cardwell*Mrs M Cardwell
Secretary

Unit 2
Netham Industrial Park
Redfield
Bristol

14/3/95
.....(date)

GOOD MORNING FOODS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial 52 weeks 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 we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable 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.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the board



R Cardwell
Director

..14/3/95..(date)

GOOD MORNING FOODS LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Good Morning Foods Limited

We have audited the financial statements on pages 5 to 15 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 and performed 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 27 January 1995 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.


Bishop Fleming
Chartered Accountants
Registered Auditors
19 Portland Square
Bristol
BS2 8SJ

Date; 28 March 1995

GOOD MORNING FOODS LIMITED

PROFIT AND LOSS ACCOUNT

for the 52 weeks ended 27 January 1995

	Note	1995 £	1994 £
Turnover	2	2,540,670	2,244,539
Cost of sales		(2,041,404)	(1,807,110)
Gross profit		499,266	437,429
Net operating expenses			
Distribution costs		(40,778)	(45,161)
Administrative expenses		(491,966)	(410,842)
Other operating income		81,163	65,206
Operating profit	3	47,685	46,632
Interest payable	5	(9,921)	(9,799)
Profit on ordinary activities before taxation		37,764	36,833
Taxation	6	(10,051)	(11,385)
Profit on ordinary activities after taxation		27,713	25,448
Dividends	7	(23,112)	(23,927)
Retained profit for the 52 weeks	17	4,601	1,521

Movements in reserves are shown in note 17.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1995 or 1994 other than the profit for the 52 weeks.

GOOD MORNING FOODS LIMITED

BALANCE SHEET

at 27 January 1995

	Note	1995 £	1994 £
Fixed assets			
Intangible assets	8	2,580	3,576
Tangible assets	9	122,898	116,364
		<u>125,478</u>	<u>119,940</u>
Current assets			
Stocks	10	71,792	64,045
Debtors	11	220,129	204,268
Cash at bank and in hand		6,272	812
		<u>298,193</u>	<u>269,125</u>
Creditors: amounts falling due within one year	12	(318,228)	(282,747)
Net current liabilities		<u>(20,035)</u>	<u>(13,622)</u>
Total assets less current liabilities		<u>105,443</u>	<u>106,318</u>
Creditors: amounts falling due after more than one year	13	(35,076)	(39,362)
Provision for liabilities and charges		<u>(5,761)</u>	<u>(6,951)</u>
		<u>64,606</u>	<u>60,005</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	64,506	59,905
Total shareholders' funds	15	<u>64,606</u>	<u>60,005</u>

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 5 to 15 were approved by the board of directors on 14.1.95..(date).



R Cardwell
Director

GOOD MORNING FOODS LIMITED

NOTES ON FINANCIAL STATEMENTS

27 January 1995

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold land and buildings	Over term of the lease
Plant and machinery	20% reducing balance
Motor vehicles	25% reducing balance
Goodwill	10 years straight line

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

GOOD MORNING FOODS LIMITED

NOTES ON FINANCIAL STATEMENTS

27 January 1995

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

3 Operating profit

	1995 £	1994 £
Operating profit is stated after crediting		
Interest receivable	7	8
Profit on sale of assets	1,335	4,496
	<u> </u>	<u> </u>
and after charging		
Staff costs (note 4)	309,418	266,431
Auditors' remuneration	3,100	3,100
Operating leases		
Hire of plant and machinery	2,142	2,178
Rent	16,251	16,251
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 9)		
owned assets	39,388	36,404
Amortisation of intangible fixed assets (note 8)	996	996
	<u> </u>	<u> </u>
	40,384	37,400
	<u> </u>	<u> </u>
The total amount charged against profits in respect of finance leases and hire purchase contracts is	30,926	41,025
(of which part is shown as depreciation and the balance is shown as interest payable in note 5)	<u> </u>	<u> </u>

GOOD MORNING FOODS LIMITED

NOTES ON FINANCIAL STATEMENTS

27 January 1995

4 Directors and employees

	1995 £	1994 £
Staff costs including directors' emoluments		
Wages and salaries	274,899	236,057
Social security costs	26,892	21,681
Pension costs	7,267	8,333
Pensions to former directors	360	360
	<u>309,418</u>	<u>266,431</u>
	Number	Number
Average number employed including executive directors		
Office and management	14	11
Driving and Warehouse	13	12
	<u>27</u>	<u>23</u>
	£	£
Directors		
Directors' emoluments		
Fees	15,543	3,925
Other emoluments	11,573	14,316
Pensions to former directors	360	360
	<u>27,476</u>	<u>18,601</u>
Emoluments excluding pension scheme contributions		
Highest paid director	<u>14,700</u>	<u>7,125</u>
	Number	Number
Other directors		
Up to £5,000	1	1
Pension costs		
Defined contribution scheme		

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,267 (1994 £8,333). Contributions totalling £0 (1994 £0) were payable to the fund at 27 January 1995 and are included in creditors.

GOOD MORNING FOODS LIMITED

NOTES ON FINANCIAL STATEMENTS

27 January 1995

5 Interest payable

	1995 £	1994 £
Bank charges and interest	1,365	1,305
Invoice discounting charges	4,690	3,873
Hire purchase interest	3,866	4,621
	<u>9,921</u>	<u>9,799</u>

6 Taxation

	1995 £	1994 £
Corporation tax on profit on ordinary activities at 25% (1994 25%)	11,284	7,851
Deferred taxation	(1,190)	3,359
	<u>10,094</u>	<u>11,210</u>
(Over)/under provision in earlier years	(43)	175
	<u>10,051</u>	<u>11,385</u>

7 Dividends

	1995 £	1994 £
Final	<u>23,112</u>	<u>23,927</u>

GOOD MORNING FOODS LIMITED
NOTES ON FINANCIAL STATEMENTS

27 January 1995

8 Intangible fixed assets

	Goodwill £
Cost	
29 January 1994	10,572
and	
27 January 1995	<u> </u>
Amortisation	
29 January 1994	6,996
Charge for 52 weeks	996
	<u> </u>
27 January 1995	<u>7,992</u>
Net book amount	
27 January 1995	<u>2,580</u>
	<u> </u>
29 January 1994	<u>3,576</u>
	<u> </u>

GOOD MORNING FOODS LIMITED

NOTES ON FINANCIAL STATEMENTS

27 January 1995

9 Tangible fixed assets

Cost or valuation	Motor Vehicles £	Plant and Machinery £	Leasehold Improvements £	Total £
29 January 1994	186,639	83,677	3,491	273,807
Additions	56,138	-	-	56,138
Disposals	(39,745)	-	-	(39,745)
27 January 1995	<u>203,032</u>	<u>83,677</u>	<u>3,491</u>	<u>290,200</u>
Depreciation				
29 January 1994	100,452	54,424	2,568	157,444
Charge for 52 weeks	33,028	6,000	360	39,388
Disposals	(29,530)	-	-	(29,530)
27 January 1995	<u>103,950</u>	<u>60,424</u>	<u>2,928</u>	<u>167,302</u>
Net book amount				
27 January 1995	<u>99,082</u>	<u>23,253</u>	<u>563</u>	<u>122,898</u>
29 January 1994	<u>86,187</u>	<u>29,254</u>	<u>923</u>	<u>116,364</u>

The net book amount of fixed assets includes £81,175 (1994 £69,063) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

10 Stocks

	1995 £	1994 £
Goods for resale	71,792	64,045
	<u>71,792</u>	<u>64,045</u>

11 Debtors

	1995 £	1994 £
Amounts falling due within one year		
Trade debtors	207,958	180,566
Other debtors	1,411	18,343
Prepayments and accrued income	10,760	5,359
	<u>220,129</u>	<u>204,268</u>

GOOD MORNING FOODS LIMITED

NOTES ON FINANCIAL STATEMENTS

27 January 1995

12 Creditors: amounts falling due within one year

	1995 £	1994 £
Bank overdrafts	125,792	100,262
Payments on account	3,379	3,379
Trade creditors	98,138	112,306
Corporation tax	5,351	975
Other taxation and social security	7,968	5,794
Accruals and deferred income	49,360	31,357
Finance leases and HP contracts - note 13	27,758	28,674
ACT payable	482	-
	<u>318,228</u>	<u>282,747</u>

Midland Bank PLC hold a fixed charge over the book debts of the company and a floating charge over the other assets of the company. These charges were given by the company on 29 December 1988.

13 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Other loans	-	11,500
Obligations under finance leases	35,076	27,862
	<u>35,076</u>	<u>39,362</u>

Other loans are repayable as follows:

Not wholly repayable within five years:
not repayable by instalments

-	11,500
-	11,500

Obligations under finance leases
and hire purchase contracts

These are repayable over varying periods
by monthly instalments as follows:

In the next year - see note 12	27,758	28,674
In the second to fifth year	35,076	27,862
	<u>62,834</u>	<u>56,536</u>

GOOD MORNING FOODS LIMITED
NOTES ON FINANCIAL STATEMENTS

27 January 1995

14 Deferred taxation

	1995		1994	
	Potential liability £	Provision made £	Potential liability £	Provision made £
Corporation tax deferred by				
Accelerated capital allowances in excess of accumulated depreciation	5,761	5,761	6,951	6,951
	<u>5,761</u>	<u>5,761</u>	<u>6,591</u>	<u>6,951</u>

The potential liability and provision are based on a corporation tax rate of 25% (1994 25%).

15 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the financial 52 weeks	27,713	25,448
Dividends	<u>(23,112)</u>	<u>(23,927)</u>
Net addition to shareholders' funds	4,601	1,521
Opening shareholders' funds	<u>60,005</u>	<u>58,484</u>
Closing shareholders' funds	<u>64,606</u>	<u>60,005</u>

16 Called up share capital

	1995		1994	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Allotted called up and fully paid				
Equity shares				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>