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COMPANY REGISTRATION NUMBER 2090261

Good Morning Foods Limited
Financial Statements
For
31 January 2005



BISHOP FLEMING
Chartered Accountants
19 Portland Square
Bristol
BS2 8SJ

Good Morning Foods Limited

Financial Statements

Year ended 31 January 2005

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Good Morning Foods Limited

Officers and Professional Advisers

The Board of Directors

R Cardwell
M Cardwell

Company Secretary

M Cardwell

Registered Office

Unit 2
Netham Industrial Park
Redfield
Bristol
BS5 9PJ

Accountants

Bishop Fleming
Chartered Accountants
19 Portland Square
Bristol
BS2 8SJ

Bankers

HSBC Bank Plc
79 Regent Street
Kingswood
Bristol
BS15 8LH

Good Morning Foods Limited

The Directors' Report

Year ended 31 January 2005

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 January 2005.

Principal activities and review of the business

The company was dormant throughout the current period.

On 30 October 2003, Good Morning Disposables Limited purchased 100% of the share capital of Good Morning Foods Limited. On 31 January 2004, the trade of Good Morning Foods was hived up to Good Morning Disposables Limited.

The company's balance sheet as detailed on page 5 shows a satisfactory position, shareholders' funds amounting to £100.

The directors and their interests in the shares of the parent company

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the parent company were as follows:

	Class of share	At 31 January 2005	At 1 February 2004
R Cardwell	Ordinary	500	500
	Ordinary B shares	500	500
	3% cumulative preference shares	250,000	—
M Cardwell	Ordinary	500	500
	3% cumulative preference shares	370,000	120,000
	Ordinary B shares	<u>500</u>	<u>500</u>

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Unit 2
Netham Industrial Park
Redfield
Bristol
BS5 9PJ

Signed by order of the directors

M Cardwell

M Cardwell
Company Secretary

Approved by the directors on 5/4/05.....

Good Morning Foods Limited**Profit and Loss Account****Year ended 31 January 2005**

	Note	2005 £	2004 £
Turnover		—	5,651,665
Cost of sales		—	4,219,450
Gross profit		—	1,432,215
Distribution costs		—	307,551
Administrative expenses		—	598,359
Other operating income		—	(313,097)
Operating profit	2	—	839,402
Interest payable and similar charges		—	16,684
Profit on ordinary activities before taxation		—	822,718
Tax on profit on ordinary activities	4	—	85,842
Profit on ordinary activities after taxation		—	736,876
Dividends	5	—	1,737,161
Loss for the financial year		—	(1,000,285)
Balance brought forward		—	1,000,285
Balance carried forward		—	—

Good Morning Foods Limited**Balance Sheet****31 January 2005**

	Note	2005 £	2004 £
Current assets			
Debtors	6	100	100
Total assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called-up equity share capital	9	100	100
Shareholders' funds		<u>100</u>	<u>100</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 5.4.05 and are signed on their behalf by:



R Cardwell
Director

Good Morning Foods Limited

Notes to the Financial Statements

Year ended 31 January 2005

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Amortisation

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Goodwill - 10 years straight line

Fixed assets

All fixed assets are initially recorded at cost.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account and amounted to £– (2004: £14,526).

Contributions totalling £– (2004: £–) were payable to the fund at 31 January 2005 and are included in 'other creditors'.

The number of directors included in the money purchase pension scheme was two.

2. Operating profit

Operating profit is stated after charging/(crediting):

	2005	2004
	£	£
Staff pension contributions	–	14,526
Depreciation of owned fixed assets	–	25,605
Depreciation of assets held under hire purchase agreements	–	68,890
Profit on disposal of fixed assets	–	(503,391)
Auditors' fees	–	3,770
	<u> </u>	<u> </u>

Good Morning Foods Limited

Notes to the Financial Statements

Year ended 31 January 2005

3. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2005	2004
	£	£
Aggregate emoluments	—	47,800
Value of company pension contributions to money purchase schemes	—	146,065
	<u>—</u>	<u>193,865</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2005	2004
	No	No
Money purchase schemes	<u>—</u>	<u>2</u>

4. Taxation on ordinary activities

(a) Analysis of charge in the year

	2005	2004
	£	£
Current tax:		
UK Corporation tax based on the results for the year at —% (2004 - 30%)	—	85,842
Total current tax	<u>—</u>	<u>85,842</u>

(b) Factors affecting current tax charge

	2005	2004
	£	£
Profit on ordinary activities before taxation	<u>—</u>	<u>822,718</u>
Profit on ordinary activities by rate of tax	—	246,815
Disallowed expenses	—	2,859
Excess of depreciation over capital allowances	—	(152,147)
Marginal relief	—	(11,685)
Total current tax (note 4(a))	<u>—</u>	<u>85,842</u>

5. Dividends

No dividend has been recommended for the year ended 31 January 2005.

6. Debtors

	2005	2004
	£	£
Other debtors	<u>100</u>	<u>100</u>

Good Morning Foods Limited

Notes to the Financial Statements

Year ended 31 January 2005

7. Commitments under operating leases

At 31 January 2005 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2005 £	2004 £
Operating leases which expire:		
Within 1 year	—	282
Within 2 to 5 years	—	14,558
	<u>—</u>	<u>14,840</u>

8. Related party transactions

The company was under the control of the directors, Mr R Cardwell and Mrs M Cardwell, throughout the current and previous year. Until 30 October 2003, Mr and Mrs Cardwell each held 50% of the company's share capital.

At the year end, Good Morning Foods Limited was owed £100 (2004:£100) by Good Morning Disposables Limited, it's parent company. This amount is included in 'other debtors'.

9. Share capital

Authorised share capital:

	2005 £	2004 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10. Ultimate parent company

The parent company is Good Morning Disposables Limited, a company incorporated in England.

Good Morning Foods Limited

Management Information

Year ended 31 January 2005

The following pages do not form part of the statutory financial statements.

Good Morning Foods Limited**Accountants' Report to the Board of Directors on the
Unaudited Financial Statements of Good Morning Foods
Limited****Year ended 31 January 2005**

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet for the year ended 31 January 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



19 Portland Square
Bristol
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13/5/05

BISHOP FLEMING
Chartered Accountants