

Ralph Peters & Sons Limited
Directors' report and financial statements
for the year ended 31 December 2011

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Ralph Peters & Sons Limited

Company Information

Directors	R P Peters M J Peters
Company number	2268310
Registered office	Coronation Road Cressex Business Park High Wycombe Bucks HP12 3TA
Auditors	BFCA Limited Chartered Accountants & Statutory Auditors Barbican House 26-34 Old Street London EC1V 9QQ

Ralph Peters & Sons Limited

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Ralph Peters & Sons Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Principal activities

The company is the holding company of Slush Puppie Limited whose principal activity is that of manufacturing processing and distribution of ice crystal drinks, fruit juices, squashes and associated technical services. There were no significant changes in the group's principal activities in the year under review. The directors are not aware of any likely major changes in the group's principal activities over the next year.

Business review

During the year Slush Puppie Limited (subsidiary) acquired Frutina Limited by purchasing 100% share capital in Frutina Limited.

The company acts as a management holding company and recharges costs to its subsidiary. The trading results of the group and the state of group's and company's affairs are shown in the attached financial statements.

Despite the very rough trading condition, the group's turnover increased by 17.6% from £7.08 million to £8.3 million. Similarly gross profit increased from £3.9 million in last year to £4.8 million in the current year which is 58% on sales (2010: 55%). The profit before tax increased from £115k in last year to £531k in the current year. The directors are of the opinion that the group will further increase its turnover and improve the profits in future.

The net assets of the group increased from £693k in last year to £1.2 million in the current year.

The board has identified the following as principal potential risk to the business:

Economic and market risk: Recession in the market and the competitor's pricing position can affect the performance of the business.

Product standard and regulatory risk: There is a natural risk from contamination during processing, storage, transportation and at point of sale. The directors are of opinion that the high standards maintained by the group minimises the risk.

Health and Safety: The group faces inherent health and safety risk in the day to day tasks it performs in business. The directors are of opinion that the high standards maintained by the group avoid the risk.

Results and dividends

The profit for the year, after taxation, amounted to £519,252 (2010 - £115,570).

Directors

The directors who served during the year and their interests in the group's issued share capital were:

	Ordinary shares of £1 each		Special shares of £1 each	
	31/12/11	1/1/11	31/12/11	1/1/11
R P Peters	5,000	5,000	1	1
M J Peters	35,000	35,000	-	-

M J Peters has options (under a Share Option Agreement) to acquire 40,000 ordinary shares of £1 each in the company at the price of £1 per share, which can be exercised upon or at any time after the occurrence of certain events.

Ralph Peters & Sons Limited

Directors' report for the year ended 31 December 2011

Issue of share

During the year, the company issued 1 special share of £1 at par. Special share has weighted voting rights to enable the holder to determine any resolution and has no rights on a distribution of income. Special share has preferential rights on a return of capital over the ordinary shares and equal rights on a return of capital against other shares of the same class and are not redeemable.

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 year. 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

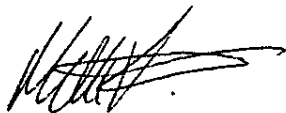
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

Auditors

The auditors, BFGA Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 September 2012 and signed on its behalf



M.J. Peters
Director

Ralph Peters & Sons Limited

Independent auditors' report to the shareholders of Ralph Peters & Sons Limited

We have audited the financial statements of Ralph Peters & Sons Limited for the year ended 31 December 2011, set out on pages 5 to 22. 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, 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 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 group's and the parent 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 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2011 and of the group's profit for the year 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.

Ralph Peters & Sons Limited

Independent auditors' report to the shareholders of Ralph Peters & Sons Limited

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



Ali Alidina (Senior statutory auditor)
for and on behalf of

BFCA Limited

Chartered Accountants and
Statutory Auditors

Barbican House
26-34 Old Street
London
EC1V 9QQ

26 September 2012

Ref BAR335

Ralph Peters & Sons Limited

**Consolidated profit and loss account
for the year ended 31 December 2011**

	Note	2011 £	2010 £
Turnover	1,2	8,334,319	7,084,694
Cost of sales		<u>(3,487,246)</u>	<u>(3,171,008)</u>
Gross profit	3	4,847,073	3,913,686
Administrative expenses		<u>(4,203,347)</u>	<u>(3,797,347)</u>
Operating profit	3	643,726	116,339
Interest payable and similar charges	6	<u>(112,474)</u>	<u>(769)</u>
Profit on ordinary activities before taxation		531,252	115,570
Tax on profit on ordinary activities	7	<u>(12,000)</u>	<u>-</u>
Profit for the financial year		<u>519,252</u>	<u>115,570</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 9 to 22 form part of these financial statements

Ralph Peters & Sons Limited
Registered number 2268310

Consolidated balance sheet
as at 31 December 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Intangible assets	8		3,319,303		1,479,207
Tangible assets	9		1,222,401		643,555
			<u>4,541,704</u>		<u>2,122,762</u>
Current assets					
Stocks	12	784,175		528,951	
Debtors	13	1,671,880		887,009	
Cash at bank and in hand		196,201		46,217	
		<u>2,652,256</u>		<u>1,462,177</u>	
Creditors , amounts falling due within one year	14	(3,141,282)		(1,742,022)	
Net current liabilities			<u>(489,026)</u>		<u>(279,845)</u>
Total assets less current liabilities			<u>4,052,678</u>		<u>1,842,917</u>
Creditors , amounts falling due after more than one year	15		(2,840,460)		(1,149,952)
Net assets			<u><u>1,212,218</u></u>		<u><u>692,965</u></u>
Capital and reserves					
Called up share capital	16		50,002		50,001
Profit and loss account	17		1,162,216		642,964
Shareholders' funds	18		<u><u>1,212,218</u></u>		<u><u>692,965</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2012



M J Peters
Director

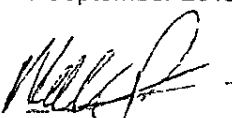
The notes on pages 9 to 22 form part of these financial statements

Ralph Peters & Sons Limited
Registered number: 2268310

Company balance sheet
as at 31 December 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Investments	10		466,561		466,561
Current assets					
Debtors	13	-		140,000	
Cash at bank		1		1	
		<u>1</u>		<u>140,001</u>	
Creditors: amounts falling due within one year	14	-		<u>(140,000)</u>	
Net current assets			<u>1</u>		<u>1</u>
Total assets less current liabilities			<u>466,562</u>		<u>466,562</u>
Creditors: amounts falling due after more than one year	15		<u>(414,939)</u>		<u>(414,940)</u>
Net assets			<u><u>51,623</u></u>		<u><u>51,622</u></u>
Capital and Reserves					
Called up share capital	16		50,002		50,001
Profit and loss account	17		<u>1,621</u>		<u>1,621</u>
Shareholders' funds	18		<u><u>51,623</u></u>		<u><u>51,622</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2012



M.J. Peters
Director

The notes on pages 9 to 22 form part of these financial statements

Ralph Peters & Sons Limited

**Consolidated cash flow statement
for the year ended 31 December 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	19	1,332,585	57,006
Returns on investments and servicing of finance	20	(112,474)	(769)
Capital expenditure and financial investment	20	(2,882,637)	(249,388)
Cash outflow before financing		(1,662,526)	(193,151)
Financing	20	1,828,587	-
Increase/(Decrease) in cash in the year		166,061	(193,151)

**Reconciliation of net cash flow to movement in net funds/debt
for the year ended 31 December 2011**

	2011 £	2010 £
Increase/(Decrease) in cash in the year	166,061	(193,151)
Cash inflow from increase in debt and lease financing	(1,828,587)	-
Movement in net debt in the year	(1,662,526)	(193,151)
Net debt at 1 January 2011	(874,483)	(681,332)
Net debt at 31 December 2011	(2,537,009)	(874,483)

The notes on pages 9 to 22 form part of these financial statements

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2011

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of Ralph Peters & Sons Limited and all of its subsidiary undertakings ('subsidiaries') drawn up to 31 December 2011

No profit and loss account is presented for Ralph Peters & Sons Limited as permitted by Section 408 of the Companies Act

1.3 Revenue recognition

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life of 20 years

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Short term Leasehold Property	-	Over period to the first rent review or anticipated useful life if shorter
Plant & machinery	-	On a straight line basis over a maximum of 5 years
Motor vehicles	-	25% on net book value
Fixtures & fittings	-	25% on net book value
Computer equipment	-	On a straight line basis over a maximum of 3 years

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2011

1. Accounting policies (continued)

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are discounted

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.12 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2011

1. Accounting policies (continued)

1 14 Invoice discounting

The subsidiary company, Slush Puppie Limited has entered into an invoice discounting with recourse arrangement whereby it is permitted to draw, up to a fixed percentage, the face value of debts transferred to invoice discounter. Advances received against such debts are disclosed in the balance sheet as current liabilities and the gross amounts of the debts are included in trade debtors.

2. Turnover

The whole of the turnover is attributable to manufacturing, processing and distribution of ice crystal drinks, fruit juices, squashes and associated technical services.

15% (2010 13%) of group's turnover is attributable to the geographical markets outside the United Kingdom.

3. Operating profit

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Amortisation - intangible fixed assets	127,900	85,244
Depreciation of tangible fixed assets		
- owned by the group	352,518	269,150
Auditors' remuneration	8,295	8,568
Auditors' remuneration - non-audit	8,806	6,287
Operating lease rentals		
- plant and machinery	150,609	103,558
- other operating leases	140,138	192,446
Difference on foreign exchange	(38,277)	6,898

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2011

4 Staff costs

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	2,117,187	2,033,665
Social security costs	166,554	177,435
Other pension costs	26,214	24,791
	<u>2,309,955</u>	<u>2,235,891</u>

The average monthly number of employees, including the directors, during the year was as follows

	2011 No.	2010 No
Administration	8	9
Selling and distribution	8	8
Production	9	9
Service technicians	35	31
	<u>60</u>	<u>57</u>

5. Directors' remuneration

	2011 £	2010 £
Emoluments	<u>474,100</u>	<u>411,600</u>

During the year retirement benefits were accruing to no directors (2010 - NIL) in respect of defined contribution pension schemes

The highest paid director received remuneration of £474,100 (2010 - £411,600)

6. Interest payable

	2011 £	2010 £
On bank loans and overdrafts	37,824	-
On other loans	69,654	769
On finance leases and hire purchase contracts	4,996	-
	<u>112,474</u>	<u>769</u>

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2011

7. Taxation

	2011 £	2010 £
UK corporation tax charge on profit for the year	<u>12,000</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 28% up to 31 March 2011 and 26% thereafter (2010 - 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>531,252</u>	<u>115,570</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% up to 31 March 2011 and 26% thereafter (2010 - 28%)	151,647	32,360
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	23,868
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	19,014	2,601
Capital allowances for year in excess of depreciation	(22,979)	(10,254)
Utilisation of tax losses and group relief	(126,439)	(8,087)
(Profit)/ Loss on disposal of fixed assets	(4,468)	(5,488)
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(4,775)	-
Changes in provisions leading to an increase (decrease) in the tax charge	-	(35,000)
Current tax charge for the year (see note above)	<u>12,000</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

Ralph Peters & Sons Limited

Notes to the financial statements
for the year ended 31 December 2011

8. Intangible fixed assets

	Goodwill £
Group	
Cost	
At 1 January 2011	1,738,006
Additions	1,967,996
At 31 December 2011	<u>3,706,002</u>
Amortisation	
At 1 January 2011	258,799
Charge for the year	127,900
At 31 December 2011	<u>386,699</u>
Net book value	
At 31 December 2011	<u>3,319,303</u>
At 31 December 2010	<u>1,479,207</u>

9. Tangible fixed assets

	S/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £
Group				
Cost				
At 1 January 2011	102,925	4,704,611	91,467	276,772
Additions	-	923,310	2,340	24,088
Disposals	-	(1,111,721)	(21,405)	-
At 31 December 2011	<u>102,925</u>	<u>4,516,200</u>	<u>72,402</u>	<u>300,860</u>
Depreciation				
At 1 January 2011	1,715	4,263,016	41,521	225,968
Charge for the year	10,121	312,355	10,808	19,371
On disposals	-	(1,099,556)	(15,333)	-
At 31 December 2011	<u>11,836</u>	<u>3,475,815</u>	<u>36,996</u>	<u>245,339</u>
Net book value				
At 31 December 2011	<u>91,089</u>	<u>1,040,385</u>	<u>35,406</u>	<u>55,521</u>
At 31 December 2010	<u>101,210</u>	<u>441,595</u>	<u>49,946</u>	<u>50,804</u>

Ralph Peters & Sons Limited

Notes to the financial statements
for the year ended 31 December 2011

9 Tangible fixed assets (continued)

Group	Total £
Cost	
At 1 January 2011	5,175,775
Additions	949,738
Disposals	(1,133,126)
At 31 December 2011	<u>4,992,387</u>
Depreciation	
At 1 January 2011	4,532,220
Charge for the year	352,655
On disposals	(1,114,889)
At 31 December 2011	<u>3,769,986</u>
Net book value	
At 31 December 2011	<u>1,222,401</u>
At 31 December 2010	<u>643,555</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	2011 £	2010 £
Plant and machinery	<u>292,021</u>	<u>-</u>

10 Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2011 and 31 December 2011	<u>466,561</u>
Net book value	
At 31 December 2011	<u>466,561</u>
At 31 December 2010	<u>466,561</u>

Details of the principal subsidiaries can be found under note number 11

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2011

11 Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Slush Puppie Limited	UK	100	Manufacturing and distribution of Slush Puppie Ice Drink
Quench Dispensers Limited	UK	100	Manufacturing and distribution of fruit juice
Quench Limited	UK	100	Dormant
Frutina Limited	UK	100	Manufacturing and distribution of Ice Drink and Fruit Juices

12. Stocks

	<u>Group</u>		<u>Company</u>	
	2011 £	2010 £	2011 £	2010 £
Raw materials	287,336	115,051	-	-
Finished goods and goods for resale	496,839	413,900	-	-
	<u>784,175</u>	<u>528,951</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

13. Debtors

	<u>Group</u>		<u>Company</u>	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	1,503,246	871,514	-	-
Amounts owed by group undertakings	-	-	-	140,000
Other debtors	125,680	206	-	-
Prepayments and accrued income	42,954	15,289	-	-
	<u>1,671,880</u>	<u>887,009</u>	<u>-</u>	<u>140,000</u>

Included in trade debtors is £1,057,054 (2010 £447,722) which is subject to invoice discounting arrangement

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2011

14 Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	499,291	20,700	-	-
Net obligations under finance leases and hire purchase contracts	126,289	-	-	-
Trade creditors	809,119	465,523	-	-
Corporation tax	12,000	-	-	-
Social security and other taxes	151,463	99,668	-	-
Other creditors	922,849	758,516	-	140,000
Accruals and deferred income	620,271	397,615	-	-
	<u>3,141,282</u>	<u>1,742,022</u>	<u>-</u>	<u>140,000</u>

Other creditors include £288,760 (2010 £171,389) payable under invoice discounting arrangement which is secured by a charge over book debts of the company and personal guarantee from a director

Other creditors also include £493,929 (2010 £256,479) due from directors and shareholders and carries interest at the rate of 9% p a

Bank loans carry an interest rate of 4 5% above LIBOR and secured by Unlimited inter company composite guarantee with accession between Ralph Peters & Sons Limited, Slush Puppie Limited and all UK subsidiary companies including Frutina Limited and dormant companies

Debentures incorporating full fixed and floating charge over all UK assets and undertakings, with appropriate waivers over book debts for the invoice discounting agreement

Assignment over any keyman insurance policies

15. Creditors: Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	1,086,557	-	-	-
Other loans	900,000	900,000	-	-
Net obligations under finance leases and hire purchase contracts	121,073	-	-	-
Amounts owed to group undertakings	-	-	414,939	414,940
Other creditors	732,830	249,952	-	-
	<u>2,840,460</u>	<u>1,149,952</u>	<u>414,939</u>	<u>414,940</u>

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2011

15. Creditors. Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Repayable other than by instalments	900,000	900,000	414,939	414,940

Group:

Other creditors include £288,760 (2010 £171,389) payable under invoice discounting arrangement which is secured by a charge over book debts of the company and personal guarantee from a director

Other creditors also include £493,929 (2010 £256,479) due from directors and shareholders and carries interest at the rate of 9% p a

Bank loans carry an interest rate of 4.5% above LIBOR and secured by Unlimited inter company composite guarantee with accession between Ralph Peters & Sons Limited, Slush Puppie Limited and all UK subsidiary companies including Frutina Limited and dormant companies

Debentures incorporating full fixed and floating charge over all UK assets and undertakings, with appropriate waivers over book debts for the invoice discounting agreement

Assignment over any keyman insurance policies

Company.

This represents the loan payable to subsidiary company, Slush Puppie Limited. This is an interest free loan and in directors' opinion will not be repaid within 5 years

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	£	£	£	£
Between one and five years	121,073	-	-	-

16 Share capital

	2011	2010
	£	£
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000
2 (2010 - 1) Special shares of £1 each	2	1
	<u>50,002</u>	<u>50,001</u>

During the year, the company issued 1 special share of £1 at par. Special share has weighted voting rights to enable the holder to determine any resolution and has no rights on a distribution of income. Special share has preferential rights on a return of capital over the ordinary shares and equal rights on a return of capital against other shares of the same class and are not redeemable.

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2011

17 Reserves

	Profit and loss account £
Group	
At 1 January 2011	642,964
Profit for the year	519,252
	<u>1,162,216</u>
At 31 December 2011	
	<u>1,162,216</u>
Company	Profit and loss account £
At 1 January 2011 and 31 December 2011	1,621
	<u>1,621</u>

18 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Group		
Opening shareholders' funds	692,965	577,395
Profit for the year	519,252	115,570
Shares issued during the year	1	-
	<u>1,212,218</u>	<u>692,965</u>
Closing shareholders' funds		
	<u>1,212,218</u>	<u>692,965</u>
Company	2011 £	2010 £
Opening shareholders' funds	51,622	51,622
Shares issued during the year	1	-
	<u>51,623</u>	<u>51,622</u>
Closing shareholders' funds		
	<u>51,623</u>	<u>51,622</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit for the year dealt with in the accounts of the company was £NIL (2010 - £NIL)

Ralph Peters & Sons Limited

**Notes to the financial statements
for the year ended 31 December 2011**

19. Net cash flow from operating activities

	2011 £	2010 £
Operating profit	643,726	116,339
Amortisation of intangible fixed assets	127,900	85,244
Depreciation of tangible fixed assets	352,655	269,150
Profit on disposal of tangible fixed assets	(16,860)	(19,599)
Increase in stocks	(255,224)	(210,876)
Increase in debtors	(784,860)	(26,996)
Increase/(decrease) in creditors	1,265,248	(31,256)
Decrease in provisions	-	(125,000)
Net cash inflow from operating activities	1,332,585	57,006

20. Analysis of cash flows for headings netted in cash flow statement

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest paid	(107,478)	(769)
Hire purchase interest	(4,996)	-
Net cash outflow from returns on investments and servicing of finance	(112,474)	(769)

	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(1,967,996)	(57,188)
Purchase of tangible fixed assets	(949,738)	(238,884)
Sale of tangible fixed assets	35,097	46,684
Net cash outflow from capital expenditure	(2,882,637)	(249,388)

	2011 £	2010 £
Financing		
New secured loans	1,581,225	-
New finance leases	247,362	-
Net cash inflow from financing	1,828,587	-

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2011

21 Analysis of changes in net debt

	1 January 2011 £	Cash flow £	Other non-cash changes £	31 December 2011 £
Cash at bank and in hand	46,217	149,984	-	196,201
Bank overdraft	(20,700)	16,077	-	(4,623)
	<u>25,517</u>	<u>166,061</u>	<u>-</u>	<u>191,578</u>
Debt:				
Debts due within one year	-	(620,957)	-	(620,957)
Debts falling due after more than one year	(900,000)	(1,207,630)	-	(2,107,630)
Net debt	<u>(874,483)</u>	<u>(1,662,526)</u>	<u>-</u>	<u>(2,537,009)</u>

22. Contingent liabilities

The company and its subsidiaries have entered into cross guarantees relating to certain bank borrowings. The borrowings outstanding at 31 December 2011 was £1,581,225 (2010 £20,700).

In the normal course of business, there is an outstanding claim against the company. No provision has been included in the financial statements as in the directors' opinion this will not crystallise.

23 Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £26,214 (2010 £24,791). Contributions totalling £2,666 (2010 £20,686) were payable to the fund at the balance sheet date and are included in other creditors.

24 Operating lease commitments

At 31 December 2011 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
Group	2011 £	2010 £	2011 £	2010 £
Expiry date:				
Within 1 year	-	-	11,098	11,098
Between 2 and 5 years	-	-	84,974	84,974
After more than 5 years	<u>138,000</u>	<u>138,000</u>	<u>-</u>	<u>-</u>

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2011

25. Related party transactions

Other creditors include £nil (2010 £140,000) payable to M J Peters, a director of the company for undrawn salary

As at 31 December 2011, one of the subsidiary owed £15,301 (2010 £15,301) to R P Peters, a director of the company. The highest amount due to him during the year was £15,301. The loan carries interest at the rate of 9% p a and does not have a fixed repayment date. Interest accrued but not paid at the end of the year is £1,377 and is included in accruals.

As at 31 December 2011, one of the subsidiary owed £1,197,628 (2010 £1,005,178) to M J Peters, a director of the company. The highest amount due to him during the year was £1,197,628. The loan carries interest at the rate of 9% p a and does not have a fixed repayment date. Interest accrued but not paid at the end of the year is £53,669 and is included in accruals.

As at 31 December 2011, one of the subsidiary owed £181,000 (2010 £136,000) to E A Peters. The highest amount due to her during the year was £181,000. The loan carries interest at the rate of 9% p a and does not have a fixed repayment date. Interest accrued but not paid at the end of the year is £14,265 and is included in accruals. E A Peters is related to one of the directors.

The group has taken advantage of the exemption under Financial Reporting Standard 8, not to disclose details of any transactions or balances between the group that have been eliminated on consolidation.

26. Controlling party

In the directors' opinion, the company is controlled by R P Peters.

27. Acquisition of subsidiary

On 3 August 2011, 100% of the issued share capital of Frutina Limited was acquired by the group for a cash consideration of £2,014,537. This acquisition has been accounted for by the acquisition method of accounting.

The profit/ (loss) after taxation of Frutina Limited for the period 1 Feb 2011 to 3 August 2011 was (£62,407) and for the financial year ended 31 Jan 2011 was (£232,186).

The profit/(loss) after taxation of Frutina Limited for the period from 3 August 2011 to 31 December 2011 included in consolidated accounts was (£111,056).

There were no adjustments made to the book values of the major categories of assets and liabilities acquired in arriving at fair values.