

Ralph Peters & Sons Limited
Directors' report and financial statements
for the year ended 31 December 2012



Ralph Peters & Sons Limited

Company Information

Directors	R P Peters M J Peters
Registered number	2268310
Registered office	Coronation Road Cressex Business Park High Wycombe Bucks HP12 3TA
Independent auditors	BFCA Chartered Accountants & Statutory Auditors 80 Coleman Street London EC2R 5BJ

Ralph Peters & Sons Limited

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Ralph Peters & Sons Limited

Directors' report for the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activities

The company's principal activity is holding the shares of its subsidiaries

The main subsidiary is 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

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.

The group's turnover increased by 27% from £8.3 million to £10.6 million. Similarly gross profit increased by 19% from £4.8 million in last year to £5.8 million in the current year which is 54% on sales (2011: 58%). The profit before tax increased by £53k from £531k to £584k 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 £1.2 million last year to £1.6 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.

Future developments

The directors anticipate that the group will continue to show better results next year. Their aim is to continue to implement the management policies which have assisted in successfully overcoming the difficulties and uncertainties in the market place.

Results and dividends

The consolidated profit for the year, after taxation, amounted to £365,716 (2011 - £519,252).

The directors do not recommend the payment of a dividend for the year.

Ralph Peters & Sons Limited

Directors' report for the year ended 31 December 2012

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	
	31/12/12	1/1/12	31/12/12	1/1/12
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

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.

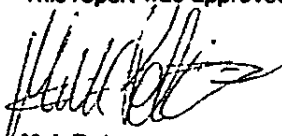
Ralph Peters & Sons Limited

**Directors' report
for the year ended 31 December 2012**

Auditors

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

This report was approved by the board on 9 September 2013 and signed on its behalf

A handwritten signature in black ink, appearing to read 'M.J. Peters', is written over the printed name and title.

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 2012, set out on pages 6 to 21. 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 2012 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

Chartered Accountants and
Statutory Auditors
80 Coleman Street
London
EC2R 5BJ

9 September 2013

Ralph Peters & Sons Limited

**Consolidated profit and loss account
for the year ended 31 December 2012**

	Note	2012 £	2011 £
Turnover	1,2	10,591,320	8,334,319
Cost of sales		<u>(4,802,200)</u>	<u>(3,487,246)</u>
Gross profit		5,789,120	4,847,073
Administrative expenses		<u>(4,968,155)</u>	<u>(4,203,347)</u>
Operating profit	3	820,965	643,726
Interest payable and similar charges	6	<u>(237,118)</u>	<u>(112,474)</u>
Profit on ordinary activities before taxation		583,847	531,252
Tax on profit on ordinary activities	7	<u>(218,131)</u>	<u>(12,000)</u>
Profit for the financial year	17	<u>365,716</u>	<u>519,252</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

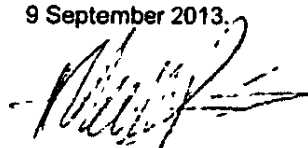
The notes on pages 10 to 21 form part of these financial statements

Ralph Peters & Sons Limited
Registered number: 2268310

Consolidated balance sheet
as at 31 December 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Intangible assets	8		3,143,063		3,319,303
Tangible assets	9		1,380,878		1,222,401
			<u>4,523,941</u>		<u>4,541,704</u>
Current assets					
Stocks	12	770,406		784,175	
Debtors	13	1,629,287		1,671,873	
Cash at bank and in hand		87,756		196,201	
		<u>2,487,449</u>		<u>2,652,249</u>	
Creditors: amounts falling due within one year	14	<u>(3,247,622)</u>		<u>(3,141,276)</u>	
Net current liabilities			<u>(760,173)</u>		<u>(489,027)</u>
Total assets less current liabilities			<u>3,763,768</u>		<u>4,052,677</u>
Creditors: amounts falling due after more than one year	15		<u>(2,185,835)</u>		<u>(2,840,460)</u>
Net assets			<u><u>1,577,933</u></u>		<u><u>1,212,217</u></u>
Capital and reserves					
Called up share capital	16		50,002		50,002
Profit and loss account	17		1,527,931		1,162,215
Shareholders' funds			<u><u>1,577,933</u></u>		<u><u>1,212,217</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 September 2013.



M J. Peters
Director

The notes on pages 10 to 21 form part of these financial statements

Ralph Peters & Sons Limited
Registered number: 2268310

Company balance sheet
as at 31 December 2012

	Note	£	2012 £	2011 £
Fixed assets				
Investments	10		466,561	466,561
Current assets				
Debtors	13	2,028	-	-
Cash at bank		1	1	1
			<u>2,029</u>	<u>1</u>
Total assets less current liabilities			<u>468,590</u>	<u>466,562</u>
Creditors: amounts falling due after more than one year	15		<u>(414,939)</u>	<u>(414,939)</u>
Net assets			<u>53,651</u>	<u>51,623</u>
Capital and Reserves				
Called up share capital	16		50,002	50,002
Profit and loss account	17		<u>3,649</u>	<u>1,621</u>
Shareholders' funds			<u>53,651</u>	<u>51,623</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 September 2013.


M.J. Peters
 Director

The notes on pages 10 to 21 form part of these financial statements

Ralph Peters & Sons Limited

**Consolidated cash flow statement
for the year ended 31 December 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	18	1,815,057	1,332,585
Returns on investments and servicing of finance	19	(237,118)	(112,470)
Taxation		(14,431)	-
Capital expenditure and financial investment	19	(654,391)	(2,882,637)
Cash inflow/(outflow) before financing		909,117	(1,662,522)
Financing	19	(1,194,242)	1,828,587
(Decrease)/Increase in cash in the year		(285,125)	166,065

**Reconciliation of net cash flow to movement in net funds/debt
for the year ended 31 December 2012**

	2012 £	2011 £
(Decrease)/Increase in cash in the year	(285,125)	166,065
Cash outflow from decrease in debt and lease financing	1,194,242	(1,828,587)
Change in net debt resulting from cash flows	909,117	(1,662,522)
	-	17,330
	-	(266,144)
Movement in net debt in the year	909,117	(1,911,336)
Net debt at 1 January 2012	(2,537,009)	(625,673)
Net debt at 31 December 2012	(1,627,892)	(2,537,009)

The notes on pages 10 to 21 form part of these financial statements

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2012

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 2012

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

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 2012

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 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

1.11 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

1.12 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

9% (2011 15%) of group's turnover is attributable to the geographical markets outside the United Kingdom

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2012

3. Operating profit

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Amortisation - intangible fixed assets	176,240	86,900
Depreciation of tangible fixed assets		
- owned by the group	479,978	352,655
Auditors' remuneration	11,514	8,295
Auditors' remuneration - non-audit	10,722	8,806
Operating lease rentals		
- plant and machinery	170,743	150,609
- other operating leases	137,996	140,138
Difference on foreign exchange	3,324	(38,277)
	<u>2,418,574</u>	<u>2,000,955</u>

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	2,200,780	1,808,187
Social security costs	184,430	166,554
Other pension costs	33,364	26,214
	<u>2,418,574</u>	<u>2,000,955</u>

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

	2012 No.	2011 No.
Administration	15	8
Selling and distribution	10	8
Production	12	9
Service technicians	35	35
	<u>72</u>	<u>60</u>

5. Directors' remuneration

	2012 £	2011 £
Emoluments	317,972	824,100

During the year retirement benefits were accruing to 2 directors (2011 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £317,972 (2011 - £474,100)

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2012

6. Interest payable

	2012	2011
	£	£
On bank loans and overdrafts	71,113	37,824
On other loans	149,609	69,650
On finance leases and hire purchase contracts	16,396	5,000
	<u>237,118</u>	<u>112,474</u>

7. Taxation

	2012	2011
	£	£
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	215,700	12,000
Adjustments in respect of prior periods	2,431	-
	<u>218,131</u>	<u>12,000</u>
Tax on profit on ordinary activities		

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 lower than) the standard rate of corporation tax in the UK of 26% up to 31 March 2012 and 24% thereafter (2011 26%) The differences are explained below:

	2012	2011
	£	£
Profit on ordinary activities before tax	<u>583,847</u>	<u>531,252</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% up to 31 March 2012 and 24% thereafter (2011 - 26%)	144,000	151,647
Effects of.		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	52,455	19,014
Capital allowances for year in excess of depreciation	25,623	(22,979)
Utilisation of tax losses and group relief	(19,609)	(126,439)
(Profit)/ Loss on disposal of fixed assets	15,937	(4,468)
Adjustments to tax charge in respect of prior periods	2,431	-
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(2,706)	(4,775)
	<u>218,131</u>	<u>12,000</u>
Current tax charge for the year (see note above)		

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 2012**

8 Intangible fixed assets

	Goodwill £
Group	
Cost	
At 1 January 2012 and 31 December 2012	<u>3,706,002</u>
Amortisation	
At 1 January 2012	386,699
Charge for the year	<u>176,240</u>
At 31 December 2012	<u>562,939</u>
Net book value	
At 31 December 2012	<u>3,143,063</u>
At 31 December 2011	<u>3,319,303</u>

9. Tangible fixed assets

	Short Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Group					
Cost					
At 1 January 2012	102,925	4,516,200	72,402	300,860	4,992,387
Additions	9,744	637,913	-	8,101	655,758
Disposals	-	(97,887)	(39,719)	-	(137,606)
At 31 December 2012	<u>112,669</u>	<u>5,056,226</u>	<u>32,683</u>	<u>308,961</u>	<u>5,510,539</u>
Depreciation					
At 1 January 2012	11,836	3,475,815	36,996	245,339	3,769,986
Charge for the year	9,271	444,676	6,409	19,622	479,978
On disposals	-	(93,997)	(26,306)	-	(120,303)
At 31 December 2012	<u>21,107</u>	<u>3,826,494</u>	<u>17,099</u>	<u>264,961</u>	<u>4,129,661</u>
Net book value					
At 31 December 2012	<u>91,562</u>	<u>1,229,732</u>	<u>15,584</u>	<u>44,000</u>	<u>1,380,878</u>
At 31 December 2011	<u>91,089</u>	<u>1,040,385</u>	<u>35,406</u>	<u>55,521</u>	<u>1,222,401</u>

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

	2012 £	2011 £
Group		
Plant and machinery	<u>675,036</u>	<u>292,021</u>

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2012

10. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Slush Puppie Limited	Ordinary	100 %
Quench Dispensers Limited	Ordinary	100 %
Frutina Limited	Ordinary	100 %
Quench Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2012 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Slush Puppie Limited	2,226,700	479,490
Quench Dispensers Limited	289,658	88,488
Frutina Limited	(535,374)	(85,896)
Quench Limited	1	-

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2012 and 31 December 2012	466,561
Net book value	
At 31 December 2012	466,561
At 31 December 2011	466,561

Investments in subsidiary undertakings are stated at cost. In the directors' opinion, the value of investments in the subsidiary undertakings are not materially different from the costs shown in the financial statements.

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 2012

11. Principal subsidiaries

Company name	Country	Percentage Shareholding	Principal activity
Slush Puppie Limited	UK	100	Manufacturing and distribution of Slush ice drink
Quench Dispensers Limited	UK	100	Manufacturing and distribution of fruit juice
Frutina Limited	UK	100	Manufacturing and distribution of ice drink and fruit juice
Quench Limited	UK	100	Dormant

12 Stocks

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Raw materials	418,769	287,336	-	-
Finished goods and goods for resale	351,637	496,839	-	-
	<u>770,406</u>	<u>784,175</u>	<u>-</u>	<u>-</u>

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

13. Debtors

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	1,285,926	1,503,246	-	-
Amounts owed by group undertakings	-	-	2,028	-
Other debtors	304,280	125,673	-	-
Prepayments and accrued income	39,081	42,954	-	-
	<u>1,629,287</u>	<u>1,671,873</u>	<u>2,028</u>	<u>-</u>

Included in trade debtors is £633,206 (2011 £1,057,054) which is subject to invoice discounting arrangement

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2012

14 Creditors: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	747,971	499,291	-	-
Net obligations under finance leases and hire purchase contracts	235,840	126,289	-	-
Trade creditors	320,504	809,119	-	-
Corporation tax	215,700	12,000	-	-
Social security and other taxes	195,028	151,463	-	-
Other creditors	787,967	922,843	-	-
Accruals and deferred income	744,612	620,271	-	-
	3,247,622	3,141,276	-	-

Other creditors include £176,919 (2011 £288,760) 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 (2011 £493,929) 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

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

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	524,805	1,086,557	-	-
Other loans	-	900,000	-	-
Net obligations under finance leases and hire purchase contracts	207,032	121,073	-	-
Amounts owed to group undertakings	-	-	414,939	414,939
Other creditors	1,453,998	732,830	-	-
	2,185,835	2,840,460	414,939	414,939

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2012

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>	
	2012	2011	2012	2011
	£	£	£	£
Repayable other than by instalments	-	900,000	414,939	414,939

Group.

Other creditors include £176,919 (2011 £288,760) 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 (2011 £493,929) 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

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>	
	2012	2011	2012	2011
	£	£	£	£
Between one and five years	207,032	121,073	-	-

16. Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000
2 Special shares of £1 each	2	2
	<u>50,002</u>	<u>50,002</u>

Ralph Peters & Sons Limited

**Notes to the financial statements
for the year ended 31 December 2012**

17. Reserves

	Profit and loss account £
Group	
At 1 January 2012	1,162,215
Profit for the year	365,716
	<u>1,527,931</u>
At 31 December 2012	
Company	
At 1 January 2012	1,621
Profit for the year	2,028
	<u>3,649</u>
At 31 December 2012	

18. Net cash flow from operating activities

	2012 £	2011 £
Operating profit	820,965	643,726
Amortisation of intangible fixed assets	176,240	127,900
Depreciation of tangible fixed assets	479,978	352,655
Loss/(profit) on disposal of tangible fixed assets	15,937	(16,860)
Decrease/(increase) in stocks	13,768	(255,224)
Decrease/(increase) in debtors	42,586	(784,860)
Increase in creditors	265,583	1,265,248
Net cash inflow from operating activities	<u>1,815,057</u>	<u>1,332,585</u>

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

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest paid	(220,722)	(107,474)
Hire purchase interest	(16,396)	(4,996)
Net cash outflow from returns on investments and servicing of finance	<u>(237,118)</u>	<u>(112,470)</u>

Ralph Peters & Sons Limited

**Notes to the financial statements
for the year ended 31 December 2012**

19 Analysis of cash flows for headings netted in cash flow statement (continued)

	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(1,967,996)
Purchase of tangible fixed assets	(655,758)	(949,738)
Sale of tangible fixed assets	1,367	35,097
	<u>(654,391)</u>	<u>(2,882,637)</u>
Net cash outflow from capital expenditure		
	2012 £	2011 £
Financing		
New secured loans	-	1,581,225
Repayment of loans	(489,752)	-
Repayment of directors loan	(900,000)	-
New finance leases	195,510	247,362
	<u>(1,194,242)</u>	<u>1,828,587</u>
Net cash (outflow)/inflow from financing		

20. Analysis of changes in net debt

	1 January 2012 £	Cash flow £	Other non-cash changes £	31 December 2012 £
Cash at bank and in hand	196,201	(108,445)	-	87,756
Bank overdraft	(4,623)	(176,680)	-	(181,303)
	<u>191,578</u>	<u>(285,125)</u>	<u>-</u>	<u>(93,547)</u>
Debt:				
Debts due within one year	(620,957)	1,194,242	(1,375,793)	(802,508)
Debts falling due after more than one year	(2,107,630)	-	1,375,793	(731,837)
	<u>(2,537,009)</u>	<u>909,117</u>	<u>-</u>	<u>(1,627,892)</u>
Net debt				

21. Contingent liabilities

The company and its subsidiaries have entered into cross guarantees relating to certain bank borrowings. The borrowings outstanding at 31 December 2012 was £1,091,473 (2011 £1,581,225).

Ralph Peters & Sons Limited

Notes to the financial statements for the year ended 31 December 2012

22. 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 £33,434 (2011 £26,214). Contributions totalling £2,706 (2011 £2,666) were payable to the fund at the balance sheet date and are included in other creditors.

23. Operating lease commitments

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2012	Other
	2012	2011		
Group	£	£	£	£
Expiry date:				
Within 1 year	-	-	84,974	11,098
Between 2 and 5 years	-	-	-	84,974
After more than 5 years	138,000	138,000	-	-
	<u>138,000</u>	<u>138,000</u>	<u>-</u>	<u>-</u>

24. Related party transactions

As at 31 December 2012, the amount due to R P Peters, a director of the parent company, was £15,301 (2011 £15,301). The highest amount due to him during the year was £15,301. The advance 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 amounted to £3,004 (2011 £1,377) and is included in accruals. The principal amount was repaid after the year end.

As at 31 December 2012, the amount due to M J Peters, a director, was £1,197,628 (2011 £1,197,628). 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 amounted to £175,988 (2011 £53,669) and is included in other creditors.

M J Peters has also given a personal guarantee to the invoice discounting bank of £975,000. The maximum guarantee outstanding at year end was £176,919 (2011 £288,760).

As at 31 December 2012, the amount due to E A Peters was £181,000 (2011 £181,000). 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 amounted to £33,305 (2011 £14,265) and is included in accruals. E A Peters is related to one of the directors.

The company 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.

25. Ultimate controlling party

The company's ultimate controlling party is R P Peters, the majority shareholder in the company.