Weddel Swift Limited

Reports and financial statements

for the year ended 30 September 2011

Registered no 4021321

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Weddel Swift Limited

REPORTS AND FINANCIAL STATEMENTS
for the year ended 30 September 2011

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Weddel Swift Limited

DIRECTORS' REPORT
for the year ended 30 September 2011

The directors present their report and the audited financial statements of the Company for the year ended 30 September 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW
The principal activity of the Company is the import and export of meat and meat products

Imported beef and lamb price inflation continues to make the product uncompetitive and difficult to generate an adequate margin Inflation also pushes up stock and receivable values Markets outside the UK show more promise Overall a disappointing year with no immediate signs of a transformation The Board continues to pursue overhead and cash management policies

RESULTS AND DIVIDENDS
The results for the year on page 4 show a pre-tax loss of £197,000 (2010 profit £95,000) and sales of £48,481,000 (2010 £43,862,000) The Company had external net debt of £3,073,000 (2010 £2,290,000) The directors have not recommended the payment of a dividend for the year (2010 £nil per share) The loss for the financial year of £149,000 (2010 surplus £60,000) has been transferred from reserves

GROUP ACCOUNTS
The Company is a wholly owned subsidiary of Randall Parker Food Group Limited for which group accounts are prepared Copies of these can be obtained from The Old Rectory, Cold Higham, Towcester, NN12 8LR

DIRECTORS
The directors of the Company at 30 September 2011, all of whom have served throughout the year, are as follows -

R L Randall
W J Parker
D R Brady
R J Field

R J Field resigned from the Board on 31st March 2012

DIRECTORS' INTERESTS
Other than their interest in the ultimate parent company, none of the directors had any interest in the share capital of the Company or any other group company at any time during the year Details of the directors shareholdings in the ultimate parent company are disclosed in the ultimate parent company accounts

CHANGES IN FIXED ASSETS
The movements in fixed assets during the period are set out in note 8 to the financial statements

RESEARCH AND DEVELOPMENT
The Company continues to increase the product range offered to customers

CHARITABLE CONTRIBUTIONS
Charitable contributions amounted to £nil (2010 £nil)

EMPLOYMENT OF DISABLED PERSONS
The Company has continued its policy, which is

(a) to give full and fair consideration to applications for employment with the Company from disabled persons, having regard to their particular aptitudes and abilities and the working conditions that apply,
(b) to endeavour always to continue the employment of any employee who becomes disabled while employed by the Company and, where possible and appropriate, to provide suitable retraining, and
(c) to ensure that disabled employees shall have the same opportunities as all other employees for training, career development and promotion, having regard to their aptitudes and abilities

EMPLOYEE INVOLVEMENT
The directors provide information including the financial and economic factors that affect performance of the Company to employees by means of management briefings and training Managers are expected to be in touch with the views of employees and to consider such views seriously It continues to be the policy of the Company to encourage employees' efforts and to reward employees accordingly

DIRECTORS' REPORT
for the year ended 30 September 2011 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

DISCLOSURE OF INFORMATION TO AUDITORS
So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and they have each taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

FINANCIAL RISK MANAGEMENT
The directors manage the Group risks at Group level, rather than at an individual subsidiary level For this reason, the directors believe that a discussion of the Group risks will not assist the understanding of the Company's development, performance or position The principal risks and uncertainties of the Randall Parker Food Group Limited, which include those of the Company, are discussed on page 2 of the Group's Annual Report which does not form part of this report

The directors manage the Group's operations on a divisional basis For this reason the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company

AUDITORS
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

By order of the Board

D R Brady F.C.A.
Secretary

18 May 2012

Independent auditors' report to the members of Weddel Swift Limited

We have audited the financial statements of Weddel Swift Limited for the year ended 30 September 2011 which comprise the Profit and loss account, the Balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and to 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

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 September 2011 and of its loss 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

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Martin Heath

Martin Heath (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
18 May 2012

PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2011

	Note	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
TURNOVER	**2**	**48,481**	43,862
Cost of sales		**(46,656)**	(41,531)
GROSS PROFIT		**1,825**	2,331
Administrative expenses		**(1,940)**	(2,146)
OPERATING (LOSS)/PROFIT		**(115)**	185
Net interest payable	**5**	**(82)**	(90)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	**6**	**(197)**	95
Taxation	**7**	**48**	(35)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	**14**	**(149)**	60

All results derive from continuing operations

There is no difference between the (losses) / profits on ordinary activities before taxation and the (losses) / profits for the years stated above and their historical cost equivalents

The Company has no recognised gains or losses other than the (losses) / profit for the financial years stated above

BALANCE SHEET at 30 September 2011

	Notes	2011 £'000	2010 £'000
FIXED ASSETS			
Tangible assets	8	48	50
Investments	9	30	30
		78	80
CURRENT ASSETS			
Stocks	10	2,891	2,144
Debtors	11	11,713	10,495
Cash at bank and in hand		195	2
		14,799	12,641
CREDITORS: amounts falling due within one year	12	(11,859)	(9,554)
NET CURRENT ASSETS		2,940	3,087
TOTAL ASSETS LESS CURRENT LIABILITIES		3,018	3,167
CAPITAL AND RESERVES			
Called up share capital	13	2,000	2,000
Profit and loss account	14	1,018	1,167
TOTAL SHAREHOLDERS' FUNDS	15	3,018	3,167

The financial statements on pages 4 to 13 were approved by the board of directors on 18 May 2012 and were signed on its behalf by

R L Randall
Director

D R Brady F C A
Director

Weddel Swift Limited

Registered no 4021321

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting
These financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards A summary of the principal accounting policies which have been applied consistently is set out below

Basis of preparation
The Company, as a wholly owned subsidiary of Randall Parker Food Group Limited, has taken advantage of the exemption under Section 400 of the Companies Act 2006 from the obligation to prepare group financial statements These financial statements therefore present information about the Company as an individual entity and not about its group

Cash flow statement and related party disclosures
The Company is a wholly owned subsidiary of Randall Parker Food Group Limited and is included in the consolidated financial statements of Randall Parker Food Group Limited, the ultimate parent company, which are publicly available Consequently this Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Randall Parker Food Group Limited group

Tangible fixed assets
The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition less any impairment in value

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their expected useful lives

The rates applicable are as follows		
Plant and machinery	-	3-10 years
Office machines, fixtures and fittings	-	3-10 years
Computers	-	5 years

Operating and finance leases
Costs in respect of operating leases are charged on a straight line basis over the lease term Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases The lease rentals are treated as consisting of capital and interest elements The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding

Stock and work in progress
Stocks are stated at the lower of cost and net realisable value Cost includes all direct costs incurred in bringing each product to the present location and condition Net realisable value is based on estimated selling prices less selling costs

Turnover
Turnover, which excludes value added tax, represents the invoiced value of goods and services provided and is recognised on despatch of goods to customers

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011 (continued)

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year or the rate of forward cover at that date Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction or the date of forward cover All foreign exchange differences are taken to the profit and loss account in the year in which they arise

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on an undiscounted basis

Pension scheme arrangements
The Company is part of the group's defined contribution pension scheme Pension costs are charged to the profit and loss account on an accruals basis

2 TURNOVER	**Year ended 30 September 2011 £'000**	Year ended 30 September 2010 £'000
Turnover is attributable to one class of business and arose solely from operations in the United Kingdom The following table provides an analysis of turnover by geographical destination		
United Kingdom	**30,826**	28,153
Rest of Europe	**3,395**	3,393
Asia Pacific and Africa	**4,177**	2,468
Rest of World	**275**	350
Inter group – United Kingdom	**9,808**	9,498
	48,481	43,862

3 DIRECTORS' EMOLUMENTS

All of the Company's directors are also directors of the ultimate parent company The directors' remuneration in respect of their services to the group, including Weddel Swift Limited, is paid by and disclosed in the accounts of the ultimate parent company

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011 (continued)

4 EMPLOYEE INFORMATION	Year ended 30 September 2011 Number	Year ended 30 September 2010 Number
The average number of persons employed by the Company (including executive directors) during the year was		
Management and administration	**15**	15
Selling and distribution	**8**	8
	23	23
Staff costs (for the above persons)	**£'000**	£'000
Wages and salaries	**969**	1,001
Social security costs	**119**	133
Other pension costs (note 17)	**60**	62
	1,148	1,196

5. NET INTEREST PAYABLE	2011 £'000	2010 £'000
On bank loans, overdrafts repayable within 5 years not by instalments	**65**	94
Interest payable to / (receivable from) group companies	**17**	(4)
	82	90

6 (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2011 £'000	2010 £'000
(Loss) / Profit on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets for the period		
Owned	**23**	30
Services provided by the Company's auditors		
Fees payable for the audit	**22**	20
Hire of assets - operating leases		
Plant and machinery	**50**	50
Other	**47**	47

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011 (continued)

		Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
7	**TAXATION**		
a)	Analysis of (credit) /charge in period		
	Current tax		
	UK Corporation tax on profits for the period	**(50)**	53
	Adjustments in respect of prior periods	-	(15)
	Total current tax	**(50)**	38
	Deferred tax (note 20)		
	Origination and reversal of timing differences	-	(13)
	Adjustments in respect of prior results	**2**	10
	Tax on (loss)/profit on ordinary activities	**(48)**	35

b) Factors affecting tax charge for the period

The tax assessed for the period is higher (2010 higher) than the standard effective rate of corporation tax in the UK for the year ended 30 September 2011 of 27% (2010 28%) The differences are explained below

(Loss)/profit on ordinary activities before tax	**(197)**	95
Corporation tax of 27% (2010 28%) on profit on ordinary activities	**(52)**	27
Effects of		
- Expenses not deductible for tax purposes	**2**	13
- Capital allowances in excess of depreciation	-	13
- Adjustments in respect of prior periods	-	(15)
	(50)	38

c) Factors affecting current and future tax charges

The Finance Act 2011 was substantively enacted on 29 March 2011 and included legislation to reduce the main rate of corporation tax from 28% to 26% from 1 April 2011 A further reduction to 25% from 1April 2012 was substantively enacted by subsequent legislation on 5 July 2011 The deferred tax asset at 30 September 2011 has been re-measured accordingly

Further reductions to the UK corporation tax rate were announced in the 2011 Budget on 23 March 2011, which proposed to reduce the rate by 1% per annum to 23% by 1 April 2014 However, a further announcement was made in the 2012 Budget on 21 March 2012, which will result in the rate reducing to 24% from 1 April 2012, with further 1% reductions per annum to 22% by 1 April 2014 The changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements The impact of the proposed changes is not expected to be material to the balance sheet

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011 (continued)

8 TANGIBLE ASSETS	Plant, machinery and vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 October 2010	119	116	235
Additions	21	-	21
Disposals	(19)	-	(19)
At 30 September 2011	**121**	**116**	**237**
Accumulated Depreciation			
At 1 October 2010	98	87	185
Charge for period	16	7	23
Disposals	(19)	-	(19)
At 30 September 2011	**95**	**94**	**189**
Net book value 30 September 2011	**26**	**22**	**48**
Net book value 30 September 2010	21	29	50

9 INVESTMENTS	£'000
Investment in subsidiary companies	
Cost and net book value at 1 October 2010 and 30 September 2011	**30**

Analysis of investment in subsidiary companies

Name of subsidiary	Description of shares held	% Holding	Country of incorporation
Weddel Meats Limited Meat Importer	Ordinary £1 shares	100	England
Weddel Swift Trading GmbH Meat Importer	Shares of DM 50,000	100	Germany
Weddel Swift (Australasia) PTY Limited Meat Exporter	Ordinary Aus $ 1 shares	100	Australia
Weddel Swift South Africa (Proprietary) Limited Meat Importer	Ordinary ZAR 1 shares	100	South Africa

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011 (continued)

9. INVESTMENTS (continued)

The results for the year to 30 September 2011 and the shareholders' funds at the accounting date in the respective subsidiary companies are set out below -

Subsidiary Company	Shareholders' funds £'000	Profit/(loss) for the year before taxation £'000
Weddel Meats Limited	5	-
Weddel Swift Trading GmbH	252	(13)
Weddel Swift (Australasia) PTY Limited	76	4
Weddel Swift South Africa (Proprietary) Limited	200	189

10 STOCKS	2011 £'000	2010 £'000
Finished goods and goods for resale	2,891	2,144

11. DEBTORS	2011 £'000	2010 £'000
Trade debtors	5,028	3,235
Amount owed by parent company	4,775	6,475
Amount owed by group companies	1,107	416
Other debtors	30	26
Prepayments and accrued income	751	214
Deferred taxation (note 20)	22	24
Amount owed by related parties	-	105
	11,713	10,495

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2011 £'000	2010 £'000
Bank overdraft	-	137
Trade creditors	2,401	1,538
Amounts owed to group companies	5,412	5,371
Other creditors	3,812	2,191
Corporation tax	74	183
Other taxation and social security	26	24
Accruals and deferred income	134	110
	11,859	9,554

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011 (continued)

12 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

Of the amount included in other creditors £3,268,000 (2010 £2,155,000) is fully secured by trade debtors outstanding at the accounting date and by a guarantee from the parent company and a fellow subsidiary The Company is party to a group banking arrangement whereby there is a right of set off against certain bank balances within the group The net overdraft of the group is secured on certain of the group assets

13. CALLED UP SHARE CAPITAL	**2011**	2010
	£	£
Allotted and fully paid		
2,000,000 ordinary shares of £1 each	**2,000,000**	2,000,000

14. RESERVES	**Profit and Loss account**
	£'000
At 1 October 2010	1,167
Loss for the financial year	(149)
At 30 September 2011	**1,018**

15. RECONCILIATION OF MOVEMENTS IN TOTAL SHAREHOLDERS' FUNDS

For the year ended 30 September	**£'000**	£'000
(Loss)/profit for the year	**(149)**	60
Opening shareholders' funds	**3,167**	3,107
Shareholders' funds at 30 September	**3,018**	3,167

16. FINANCIAL COMMITMENTS

At 30 September 2011 the Company had annual commitments under non-cancellable operating leases as follows -

	Land and buildings 2011 £'000	**Other 2011 £'000**	Land and buildings 2010 £'000	Other 2010 £'000
Expiring within one year	**-**	**19**	-	1
Expiring between two and five years inclusive	**47**	**25**	47	35
	47	**44**	47	36

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011 (continued)

17. PENSION AND SIMILAR OBLIGATIONS

Eligible employees who choose to do so can join the Randall Parker Food Group Pension Scheme, which is a defined contribution scheme The pension cost for the defined contribution scheme, which represents contributions payable by the Company, amounted to £60,000 (2010 £62,000) At the accounting date there were £nil (2010 £nil) outstanding contributions to the scheme

18 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the available exemptions under Financial Reporting Standard No 8 not to disclose any transactions or balances with entities that are part of the group This exemption is available because the consolidated financial statements of Randall Parker Food Group Limited of which the Company is a subsidiary are publicly available Other related party transactions are disclosed in the financial statements of Randall Parker Food Group Limited

19. GUARANTEES

The Company had guaranteed certain borrowings of fellow subsidiaries and the parent company At 30 September 2011 the total exposure was £14,551,000 (2010 £12,196,000)

20 DEFERRED TAXATION

Deferred taxation included in the financial statements, is as follows

	Amount provided	
	2011	2010
	£'000	£'000
Accelerated capital allowances	**7**	7
Other timing differences	**15**	17
Deferred tax asset (note 11)	**22**	24
Movement in the period		
Asset at start of period	**24**	21
(Charge) / Credit to profit and loss account (note 7)	**(2)**	3
Closing deferred tax asset	**22**	24

21 PARENT COMPANY

The directors regard Randall Parker Food Group Limited, a company registered in England and Wales, as the immediate and ultimate parent company which is the parent company of the smallest and largest group to consolidate these financial statements

The consolidated financial statements of Randall Parker Food Group Limited can be obtained from The Old Rectory, Cold Higham, Towcester, NN12 8LR