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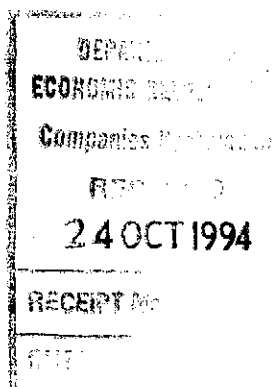
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# **A H Foods Limited** **(formerly Ormeau Bakery** **Limited)**

## **Report and Accounts**

30 September 1993

*Registered No: R00582*



# A H Foods Limited (formerly Ormeau Bakery Limited)

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Registered No: R00582

## **DIRECTORS**

M Moreland (Chairman)

S N Armstrong

P J Burnett

J F Foster

J G Hawthorne

D T Magill

J McGurk

T D Sweeney

J M Wylie

## **SECRETARY**

B D McAuley

## **AUDITORS**

Ernst & Young

Bedford House

Bedford Street

Belfast BT2 7DT

## **BANKERS**

Northern Bank Limited

2 Waring Street

Belfast

Ulster Bank Limited

35 Waring Street

Belfast

Bank of Ireland

92 Royal Avenue

Belfast

## **SOLICITORS**

George L MacLaine

Lombard Chambers

Lombard Street

Belfast

L'Estrange & Brett

7 - 9 Chichester Street

Belfast BT1 4JG

## **REGISTERED OFFICE**

71/75 Percy Street

Belfast

BT13 2HW

**DIRECTORS' REPORT**

The directors present their report and the audited accounts for the year ended 30 September 1993.

**RESULTS AND DIVIDENDS**

The loss for the year attributable to shareholders amounts to £242,983 and is dealt with as shown in the profit and loss account.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activities of the company comprise the manufacture, distribution of bread and allied products and the company also trades as provender and flour millers.

On 30 April 1993, the company acquired the trade and certain assets of a fellow subsidiary undertaking, Andrews Milling Limited.

On 4 May 1993, the company changed its name to A H Foods Limited.

**FUTURE DEVELOPMENTS**

The directors expect that both the market position and the company's trading position can be maintained in the year ahead.

**FIXED ASSETS**

The movement in tangible fixed assets is shown in note 11.

**DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year ended 30 September 1993 were those listed above and Mr P M Cunningham who resigned on 24 September 1993. Mr J McGurk was appointed to the board on 23 March 1993 and Messrs P J Burnett, J G Hawthorne, D T Magill and T D Sweeney were appointed on 3 May 1993.

The directors have beneficial interests in the shares of the company. Messrs M Moreland, S N Armstrong and T D Sweeney are directors of the holding company, in whose accounts are disclosed their interests in the shares of that company. The remaining directors with an interest in the share capital of the holding company are as follows:

	<i>30 September 1993 Ordinary</i>	<i>1 October 1992 Ordinary</i>
P J Burnett	10,000	400
D T Magill	6,250	250
J F Foster	6,250	250
J M Wylie	6,250	250

**DIRECTORS' REPORT**

**DISABLED PERSONS**

It is the company's policy to give full consideration to suitable applications for employment by disabled persons.

Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the company who become disabled to continue in their employment or to be trained for other positions.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies (Northern Ireland) Order 1986. 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.

**AUDITORS**

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

  
Secretary

Date 11 March 1994

**REPORT OF THE AUDITORS**

to the members of A H Foods Limited (formerly Ormeau Bakery Limited)

We have audited the accounts on pages 6 to 19 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and on the basis of the accounting policies set out on page 9.

***Respective responsibilities of the directors and auditors***

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

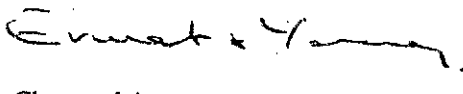
***Basis of opinion***

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

***Opinion***

In our opinion the accounts give a true and fair view of the state of the company's affairs at 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.



Chartered Accountants  
Registered Auditors

BELFAST

11 March 1994

# A H Foods Limited (formerly Ormeau Bakery Limited)

## PROFIT AND LOSS ACCOUNT

for the year ended 30 September 1993

	Notes	1993 £	1992 £
<b>TURNOVER</b>			
Continuing operations:			
Ongoing		22,994,255	24,008,725
Acquisitions		6,940,478	-
	2	29,934,733	24,008,725
Cost of sales	3	22,403,234	17,806,646
<b>GROSS PROFIT</b>		7,531,499	6,202,079
Distribution costs	3	(5,842,146)	(5,332,303)
Administrative expenses	3	(1,776,183)	(1,566,116)
Continuing operations:			
Ongoing		(239,694)	(696,340)
Acquisitions		152,864	-
<b>OPERATING LOSS</b>	4	(86,830)	(696,340)
Other income	7	20,871	7,244
Interest payable and similar charges	8	(114,637)	(131,986)
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEM</b>		(180,596)	(821,082)
Exceptional items:			
Redundancy costs	9	-	(906,918)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(180,596)	(1,728,000)
Taxation	10	62,387	(762,521)
<b>RETAINED LOSS FOR THE FINANCIAL YEAR</b>		(242,983)	(965,479)

A statement of the movement on reserves can be found in Note 20.

A H Foods Limited (formerly Ormeau Bakery Limited)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 30 September 1993

	<i>Note</i>	<i>1993</i> £	<i>1992</i> £
Loss on ordinary activities after taxation		242,983	965,479
Realisation of revaluation surplus on disposal	20	(14,430)	-
Total recognised gains and losses related to the year		<u>228,553</u>	<u>965,479</u>

# A H Foods Limited (formerly Ormeau Bakery Limited)

## BALANCE SHEET

at 30 September 1993

	Notes	1993 £	1992 £
<b>FIXED ASSETS</b>			
Tangible assets	11	8,189,059	5,661,933
Investments	12	433	100
		<u>8,189,492</u>	<u>5,662,033</u>
<b>CURRENT ASSETS</b>			
Stocks	13	2,304,569	810,905
Debtors	14	6,681,927	3,659,411
Cash at bank and in hand		1,837,237	4,505
		<u>10,823,733</u>	<u>4,474,821</u>
<b>CREDITORS: amounts falling due within one year</b>	15	13,088,212	4,039,663
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(2,264,479)</u>	<u>435,158</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,925,013	6,097,191
<b>CREDITORS: amounts falling due after more than one year</b>	17	341,336	283,012
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	18	1,158,000	1,145,519
		<u>4,425,677</u>	<u>4,668,660</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	1,026,750	1,026,750
Revaluation reserve	20	856,438	870,868
Profit and loss account	20	2,542,489	2,771,042
		<u>4,425,677</u>	<u>4,668,660</u>

Directors

*M. Kelly*

*T. J. Sumner*

11 March 1994



NOTES TO THE ACCOUNTS

at 30 September 1993

1. ACCOUNTING POLICIES

**Accounting convention**

The accounts are prepared under the historical cost convention as modified by the revaluation of freehold property, and in accordance with applicable accounting standards.

**Depreciation**

The cost (after deducting government grants) of tangible fixed assets are depreciated by equal instalments over the expected useful lives of the assets as follows:

Freehold and long leasehold buildings	-	50 years
Plant and machinery	-	5 - 10 years
Motor vehicles	-	4 - 5 years

**Stocks**

Stocks are valued at the lower of cost, on a first in first out basis, and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost comprises direct materials and labour.

**Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

**Consolidated accounts**

Consolidated accounts for the company and its subsidiaries have not been prepared as the company is a wholly owned subsidiary of another company incorporated in Northern Ireland.

**Hire purchase and leasing commitments**

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or the periods of the leases where these are shorter.

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the group are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account.

Rentals in respect of all other leases are charged to the profit and loss account as incurred.

**Pensions**

Pension costs are recognised on a systematic basis so that the costs of providing retirement benefits to employees are evenly matched, so far as is possible, to the service lives of the employees concerned. Any excess or deficiency of the actuarial value of assets over the actuarial value of liabilities of the pension scheme is allocated over the average remaining service lives of current employees.

NOTES TO THE ACCOUNTS

at 30 September 1993

2. **TURNOVER**

Turnover comprises the invoice value of goods and services supplied by the company exclusive of value added tax.

An analysis of turnover between different classes of business and the geographical analysis have been omitted because, in the opinion of the directors, the disclosure of such information would be seriously prejudicial to the interests of the company.

3. **COST OF SALES AND OPERATING COSTS**

The total figures for continuing operations in 1993 include the following amounts relating to acquisitions:

Cost of sales £6,024,324; distribution costs £327,431 and administrative expenses £409,222.

4. **OPERATING LOSS** is stated after charging:

	1993 £	1992 £
Depreciation of owned fixed assets	686,393	539,647
Depreciation of assets held under finance leases and hire purchase contracts	196,563	211,442
Auditors' remuneration	28,500	20,000
Other operating lease rentals	22,511	22,172

5. **DIRECTORS' EMOLUMENTS**

	1993 £	1992 £
Emoluments, including pension contributions	393,963	272,279

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1993 No.	1992 No.
£Nil - £5,000	2	2
£5,001 - £10,000	1	-
£10,001 - £25,000	2	-
£25,001 - £30,000	1	-
£30,001 - £40,000	-	1
£40,001 - £45,000	1	-
£45,001 - £50,000	1	2
£50,001 - £60,000	1	1
£60,001 - £65,000	1	-

The emoluments, excluding pension contributions, of directors of the company are detailed as follows:

	1993 £	1992 £
Chairman	-	-
Highest paid director	60,037	56,086

NOTES TO THE ACCOUNTS

at 30 September 1993

6. STAFF COSTS

	1993	1992
	£	£
Wages and salaries	9,572,920	9,315,781
Social security costs	803,312	752,187
Other pension costs	325,215	210,232
	<u>10,701,447</u>	<u>10,278,200</u>

The average weekly number of employees, including directors, during the year was 723 (1992 -722).

7. OTHER INCOME

	1993	1992
	£	£
Interest receivable	<u>20,871</u>	<u>7,244</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	1993	1992
	£	£
Bank overdraft	56,900	66,974
Finance charges payable under finance leases and hire purchase contracts	<u>57,737</u>	<u>65,012</u>
	<u>114,637</u>	<u>131,986</u>

NOTES TO THE ACCOUNTS

at 30 September 1993

9. EXCEPTIONAL ITEMS

	1993 £	1992 £
Loss on disposal of Londonderry operations	-	110,271
Redundancy and re-organisation costs	-	796,647
	<u>-</u>	<u>906,918</u>
Taxation credit	-	(299,283)
	<u>-</u>	<u>(299,283)</u>

10. TAXATION

	1993 £	1992 £
The charge/(credit) based on the loss for the year:		
Corporation tax at 33% (1992 - 33%)	(172,620)	(577,661)
Deferred taxation (note 17)	241,500	(147,000)
	<u>68,880</u>	<u>(724,661)</u>
Corporation tax overprovided in previous years	(6,493)	(37,860)
	<u>62,387</u>	<u>(762,521)</u>

NOTES TO THE ACCOUNTS

at 30 September 1993

11. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings £</i>	<i>Long leasehold land and buildings £</i>	<i>Plant, vehicles and equipment £</i>	<i>Total £</i>
Cost				
At 1 October 1992	3,486,638	-	6,873,823	10,360,461
Additions	-	1,651	1,346,142	1,347,793
Disposals	(39,936)	-	(405,621)	(445,557)
Group transfers	79,834	555,645	6,846,637	7,482,116
At 30 September 1993	<u>3,526,536</u>	<u>557,296</u>	<u>14,660,981</u>	<u>18,744,813</u>
Depreciation				
At 1 October 1992	783,524	-	4,558,523	5,342,047
Charge for year	67,003	4,462	811,491	882,956
Disposals	(16,259)	-	(382,048)	(398,307)
Group transfers	-	177,728	4,551,330	4,729,058
At 30 September 1993	<u>834,268</u>	<u>182,190</u>	<u>9,539,296</u>	<u>10,555,754</u>
Net book value at 30 September 1993	<u>2,692,268</u>	<u>375,106</u>	<u>5,121,685</u>	<u>8,189,059</u>
Net book value at 1 October 1992	<u>2,703,114</u>	<u>-</u>	<u>2,315,300</u>	<u>5,018,414</u>

Net book value of motor vehicles includes an amount of £395,468 (1992 - £276,047) in respect of assets held under finance leases and hire purchase contracts..

Certain freehold buildings have been included in valuation. The analysis of the company's total cost of assets is as follows:

NOTES TO THE ACCOUNTS

at 30 September 1993

11. TANGIBLE FIXED ASSETS (continued)

	1993 £
Cost	16,970,957
Valuation	1,773,856
	<u>18,744,813</u>

If the assets had not been revalued the amounts carried in the balance sheet at 30 September 1993 would have been:

	1993 £
Cost	17,888,375
Accumulated depreciation	(10,312,199)
	<u>7,576,176</u>

# A H Foods Limited (formerly Ormeau Bakery Limited)

## NOTES TO THE ACCOUNTS

at 30 September 1993

### 12. INVESTMENTS

	1993 £	1992 £
Wholly owned non trading subsidiaries		
Earlybird Bakery Limited	-	-
Sandwich Services (Belfast) Limited	-	-
Golden Crust of Northern Ireland Limited	110,000	110,000
Hugh Stevenson & Co Limited	91,737	91,737
	<u>201,737</u>	<u>201,737</u>
Less:		
Provision against cost of shares:		
Hugh Stevenson & Co Limited	(75,735)	(75,735)
Amounts due to subsidiaries	(126,002)	(126,002)
	<u>-</u>	<u>-</u>
Other investments		
James Ferguson Limited	100	100
Kennard Holdings (Belfast) Limited	500	500
Berglow Limited	433	-
	<u>1,033</u>	<u>600</u>
Less:		
Provision against cost of shares:		
James Ferguson Limited	(100)	-
Kennard Holdings (Belfast) Limited	(500)	(500)
	<u>433</u>	<u>100</u>

### 13. STOCKS

	1993 £	1992 £
Raw materials and consumables	1,635,177	755,849
Finished products and goods for re-sale	669,392	55,056
	<u>2,304,569</u>	<u>810,905</u>

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

NOTES TO THE ACCOUNTS

at 30 September 1993

14. DEBTORS

	1993	1992
	£	£
Trade debtors	5,487,179	2,401,318
Other debtors	292,822	417,566
Prepayments and accrued income	290,206	110,072
Tax recoverable	165,000	619,300
Amounts owed by group undertakings	446,720	111,155
	<u>6,681,927</u>	<u>3,659,411</u>

15. CREDITORS - amounts falling due within one year:

	1993	1992
	£	£
Bank overdraft	260,848	740,069
Obligations under finance leases and hire purchase contracts (note 16)	199,578	190,555
Trade creditors	2,221,189	1,294,947
Current corporation tax	282,190	-
Accruals	1,073,314	656,146
Social security and other taxation	611,897	346,076
Other creditors	942,823	289,230
Amounts owed to group undertakings	7,496,373	522,640
	<u>13,088,212</u>	<u>4,039,663</u>

Trade creditors include amounts owing to suppliers who include reservation of ownership clauses in their conditions of sale.

16. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

Amounts payable:

	1993	1992
	£	£
Within one year (note 15)	199,578	190,555
Within two to five years (note 17)	341,336	283,012
	<u>540,914</u>	<u>473,567</u>



# A H Foods Limited (formerly Ormeau Bakery Limited)

## NOTES TO THE ACCOUNTS

at 30 September 1993

### 17. CREDITORS - amounts falling due after more than one year:

	1993 £	1992 £
Obligations under finance leases and hire purchase contracts - within two to five years (note 16)	341,336	283,012

### 18. PROVISIONS FOR LIABILITIES AND CHARGES

The movements in deferred taxation during the current and previous year are as follows:

	1993 £	1992 £
At 1 October 1992	502,000	649,000
Charge/(release) for the year	241,500	(147,000)
Group transfers	414,500	-
At 30 September 1993	1,158,000	502,000

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	1993 £	Provided 1992 £	1993 £	Not provided 1992 £
Accelerated capital allowances	1,127,000	567,000	-	-
Short term timing differences	31,000	(65,000)	-	-
Valuation of properties	-	-	85,000	288,000
Capital gains rolled over	-	-	32,000	32,000
	1,158,000	502,000	117,000	320,000

# A H Foods Limited (formerly Ormeau Bakery Limited)

## NOTES TO THE ACCOUNTS

at 30 September 1993

### 19. SHARE CAPITAL

	1993	Authorised 1992	1993	Allotted and fully paid 1992
	£	£	£	£
Ordinary shares of £1 each	1,178,250	-	1,026,750	-
'B' Ordinary shares of £5.50 each	-	734,250	-	734,250
4.2% Cumulative preference shares of £1 each	-	40,000	-	40,000
Deferred shares of £1.01 each	-	404,000	-	252,500
	<u>1,178,250</u>	<u>1,178,250</u>	<u>1,026,750</u>	<u>1,026,750</u>

Dividends on 4.2% cumulative preference shares have been paid up to 30 June 1974. The arrears of dividend at 30 September 1993 is £32,340 (1992 - £30,660).

### 20. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £	Revaluation Reserve £	Profit and loss account £	Total £
At 1 October 1991	1,026,750	870,868	3,736,521	5,634,139
Loss for the year	-	-	(965,479)	(965,479)
At 1 October 1992	1,026,750	870,868	2,771,042	4,668,660
Loss for the year	-	-	(242,983)	(242,983)
Other recognised gains and losses:				
Realisation of revaluation surplus on disposal	-	(14,430)	14,430	-
At 30 September 1993	<u>1,026,750</u>	<u>856,438</u>	<u>2,542,489</u>	<u>4,425,677</u>

### 21. CAPITAL COMMITMENTS

	1993 £	1992 £
Contracted	10,000	-
Authorised by the directors but not contracted	-	-

# A H Foods Limited (formerly Ormeau Bakery Limited)

## NOTES TO THE ACCOUNTS

at 30 September 1993

### 22. OTHER FINANCIAL COMMITMENTS

At 30 September 1993 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>1993</i>	<i>1992</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
Within one year	11,583	11,583
Within two to five years	43,200	29,000
In over five years	34,500	43,200
	<u>89,283</u>	<u>83,783</u>

### 23. PENSION COMMITMENTS

The company participates in several group defined benefit schemes for certain of its employees. The assets of the schemes are held separately from those of the group. Contributions to each scheme are charged to the profit and loss account so as to spread the cost of the pensions over the working lives of the employees. The pension costs are assessed in accordance with advice of qualified actuaries on the basis of triennial valuations using the attained age method. The latest actuarial assessments of the pension schemes were prepared in 1992 using either the projected unit or projected accrued benefit or the attained age method. The details of the most recent actuarial valuations are disclosed in the accounts of the groups ultimate parent undertaking, Andrews Holdings Limited. The total pension costs of the company was £367,355 (1992 - £210,232).

### 24. CONTINGENT LIABILITY

Government grants in respect of fixed assets could become repayable in certain circumstances.

### 25. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Andrews Holdings Limited, a company incorporated in Northern Ireland.