00266970

A H Foods Limited

Abbreviated Financial Statements

30 September 2005

Registered No: R00582

Directors
M A Moreland
P J Burnett
J McGurk
P A Rothwell

Secretary
B D McAuley

Auditors
Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Bankers
Bank of Ireland
Donegall House
7 Donegall Square North
Belfast
BT1 5LU

Solicitors
Carson McDowell
Murray House
Murray Street
Belfast
BT1 6HS

Registered office
Belfast Mills
71-75 Percy Street
Belfast
BT13 2HW

Directors' report

The directors present their report and abbreviated financial statements for the year ended 30 September 2005.

Results and dividends
The profit for the year, after taxation, amounted to £1,078,598. An interim dividend of £1,000,000 was paid during the year (2004 - £Nil).

Principal activities and review of the business
The principal activity of the company during the period was the milling of flour.

Directors
The directors at 30 September 2005 are listed on page 1.

Messrs M Moreland and J McGurk are directors of the ultimate holding company, Andrews Holding Limited, and their interests in its share capital are disclosed in that company's financial statements.

According to the register maintained under the Companies (Northern Ireland) Order 1986, the directors' interests in the share capital of the ultimate holding company included the following:

	At 30 September 2005 or date of retirement, if earlier Ordinary shares	*At 1 October 2004 or subsequent date of appointment Ordinary shares*
P J Burnett	5,000	5,000

Fixed assets
The movement in tangible fixed assets during the year is as shown in note 7.

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

On behalf of the board

Secretary

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements 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 financial statements, 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 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 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 financial statements 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.

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Independent auditors' report

to the member of A H Foods Limited under Article 255B of the Companies (Northern Ireland) Order 1986

We have examined the company's abbreviated financial statements for the year ended 30 September 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 18, which have been prepared in accordance with applicable United Kingdom law, together with the company's financial statements for the year ended 30 September 2005 prepared under Article 234 of the Companies (Northern Ireland) Order 1986.

This report is made solely to the company's member, as a body, in accordance with Article 255B of the Companies (Northern Ireland) Order 1986. Our audit work has been undertaken so that we might state to the company's member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Article 254A of the Companies (Northern Ireland) Order 1986. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Article 254A(3) of the Order to the registrar of companies and whether the abbreviated financial statements to be delivered have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

An actuarial valuation of the company and group's pension fund has not been obtained at 30 September 2005. This is not in accordance with FRS 17. As a result, the disclosures required by FRS 17 under the transitional arrangements relating to accounting periods ending on or after 22 June 2003 have not been given in the financial statements in relation to either the company or the group.

Except for the non compliance with FRS 17 and the omission of disclosures required by that standard, in our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Article 254A(3)of the Companies (Northern Ireland) Order 1986, and the abbreviated financial statements are properly prepared in accordance with that provision.

Ernst & Young LLP
Registered Auditor
Belfast

25 July 2006

Abbreviated profit and loss account

for the year ended 30 September 2005

	Notes	2005 £	2004 £
Gross profit		1,702,156	1,930,704
Distribution costs		213,981	213,357
Administrative expenses		387,016	303,209
Operating profit	3	1,101,159	1,414,138
Interest payable and similar charges	5	(34,561)	(29,597)
Profit on ordinary activities before taxation		1,066,598	1,384,541
Tax on profit on ordinary activities	6	12,000	(446,222)
Profit on ordinary activities after taxation		1,078,598	938,319
Dividend		(1,000,000)	-
Profit retained for the financial year		78,598	938,319

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Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £1,078,598 attributable to the shareholders for the year ended 30 September 2005 (2004 - £938,319).

Abbreviated balance sheet
at 30 September 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	7	2,695,636	3,204,160
Current assets			
Stocks	8	1,073,398	1,119,160
Debtors	9	4,971,012	2,224,595
Cash at bank		14,117	1,242,057
		6,058,527	4,585,812
Creditors: amounts falling due within one year	10	3,068,050	1,692,155
Net current assets		2,990,477	2,893,657
Total assets less current liabilities		5,686,113	6,097,817
Creditors: amounts falling due after more than one year	11	167,341	325,817
Provisions for liabilities and charges			
Deferred taxation	6	30,000	42,000
		5,488,772	5,730,000
Capital and reserves			
Called up share capital	17	1,026,750	1,026,750
Revaluation reserve	18	1,906,902	2,226,728
Profit and loss account	18	2,555,120	2,476,522
Equity shareholders' funds	18	5,488,772	5,730,000

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VIII of the Companies (Northern Ireland) Order 1986 relating to medium sized companies.

Directors

Notes to the abbreviated financial statements

at 30 September 2005

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Related party transactions

The company has taken advantage of the exemption in FRS 8 'Related Party Transactions' from disclosing transactions with related parties which are group companies.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Plant and Equipment	5 - 10 years
Motor vehicles	4 - 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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 cost comprises direct materials and labour plus an appropriate proportion of manufacturing fixed and variable overheads.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. The timing differences arise from the different treatment for financial statements and tax purposes of transactions and events recognised in the financial statements of the current year and previous years. Deferred tax is not provided in respect of timing differences arising from the sale of fixed assets unless, by the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will be rolled over.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on a non-discount basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Notes to the abbreviated financial statements
at 30 September 2005

1. Accounting policies (continued)

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

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

Finance lease agreements
Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease rentals
Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions
The company currently operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

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.

Notes to the abbreviated financial statements
at 30 September 2005

3. Operating profit
This is stated after charging:

		2005	2004
		£	£
Auditors' remuneration	- audit services	8,000	7,500
	- non-audit services	-	1,800
Directors' emoluments		-	–
Depreciation of owned fixed assets		120,455	125,125
Depreciation of assets held under finance leases		57,527	44,225
		177,982	169,350

4. Staff costs

	2005	2004
	£	£
Wages and salaries	1,007,880	962,345
Social security costs	110,357	105,377
Other pension costs (note 13)	39,641	37,340
	1,157,878	1,105,062

The monthly average number of employees during the year was as follows:

	2005	2004
	No.	No.
Operations	31	37
Administration	6	6
	37	43

5. Interest payable and similar charges

	2005	2004
	£	£
Bank interest payable	34,561	29,597

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Notes to the abbreviated financial statements
at 30 September 2005

6. Taxation on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2005 £	*2004* £
Current tax:		
UK corporation tax	-	366,536
Tax under provided in previous years	-	6,644
Total current tax (note 6(b))	-	373,180
Deferred tax:		
Origination and reversal of timing differences	18,000	73,042
Adjustments in respect of previous periods	(30,000)	-
Tax on profit on ordinary activities	(12,000)	446,222

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2004 - 30%). The differences are reconciled below:

	2005 £	*2004* £
Profit on ordinary activities before taxation	1,066,598	1,384,541
Profit on ordinary activities multiplied by standard UK rate of tax	319,980	415,362
Disallowed expenses and non-taxable income	62	(163)
Accelerated capital allowances	(22,688)	-
Short term timing differences	4,508	(48,663)
Utilisation of tax losses brought forward	-	-
Losses surrendered for no payment	(301,862)	-
Adjustments in respect of previous periods	-	6,644
Total current tax (note 6(a))	-	373,180

(c) Deferred tax

	2005 £	*2004* £
Capital allowances in advance of depreciation	48,000	(50,353)
Other timing differences	(18,000)	8,353
Provision for deferred taxation	30,000	(42,000)

	£
At 30 September 2004	(42,000)
Profit and loss account movement arising during the year	12,000
At 30 September 2005	(30,000)

Notes to the abbreviated financial statements
at 30 September 2005

7. Tangible fixed assets

	Land and Buildings			
	Long leasehold land and buildings £	*Freehold Property* £	*Plant vehicles and equipment* £	*Total* £
Cost or valuation:				
At 30 September 2004	512,573	2,102,599	2,538,310	5,153,482
Additions	-	40,319	29,139	69,458
Transfer to group companies	(512,573)	-	-	(512,573)
At 30 September 2005	-	2,142,918	2,567,449	4,710,367
Depreciation:				
At 30 September 2004	112,573	78,056	1,758,693	1,949,322
Provided during the year	-	5,008	172,974	177,982
Transfer to group companies	(112,573)	-	-	(112,573)
At 30 September 2005	-	83,064	1,931,667	2,014,731
Net book value:				
At 30 September 2005	-	2,059,854	635,782	2,695,636
At 30 September 2004	400,000	2,024,543	779,617	3,204,160

As at 28 February 2002 certain of the company's freehold land and buildings were valued at £750,000 on the basis of existing use. As at the same date freehold land adjoining this site was valued at £1,280,000 on the basis of its open market value.
In addition the company's long leasehold land and buildings were valued at £400,000 on the basis of open market value as at 28 February 2002.

On the historical cost basis, these revalued assets would have been included as follows:

	Long leasehold land and buildings £	*Freehold land and buildings* £
Cost:		
At 1 October 2004 and 30 September 2005	151,579	195,697
Cumulative depreciation based on cost:		
At 1 October 2004 and 30 September 2005	41,752	74,904

Notes to the abbreviated financial statements
at 30 September 2005

8. Stocks

	2005 £	2004 £
Raw materials	964,171	993,530
Finished goods	109,227	125,630
	1,073,398	1,119,160

9. Debtors

	2005 £	2004 £
Trade debtors	1,273,294	1,307,847
Amounts owed by group undertakings	1,839,635	11,667
Other debtors	996,856	905,081
Prepayments and accrued income	861,227	–
	4,971,012	2,224,595

10. Creditors: amounts falling due within one year

	2005 £	2004 £
Bank overdraft	572,241	126,278
Obligations under finance leases (note 12)	64,170	96,333
Trade creditors	1,130,155	843,354
Amounts owed to group undertakings	1,094,306	370,906
Other taxation and social security	31,193	41,254
Other creditors	73,650	116,291
Accruals and deferred income	102,335	97,739
	3,068,050	1,692,155

The overdraft facility is secured by way of a fixed and floating charge over the assets and undertakings of the company. In addition, borrowings of the company's ulitmate parent undertaking, Andrews Holdings Limited, are also secured by the same fixed and floating charge, together with a letter of guarantee from the company.

11. Creditors: amounts falling due after more than one year

	2005 £	2004 £
Obligations under finance leases (note 12)	167,341	325,817

Notes to the abbreviated financial statements
at 30 September 2005

12. Obligations under finance leases
The maturity of these amounts is as follows:

	2005	2004
	£	£
Amounts payable:		
Finance leases are analysed as follows:		
Current obligations (note 10)	64,170	96,333
Non-current obligations (note 11)	167,341	325,817
	231,511	422,150

13. Pensions
Until 31 October 1998 the company participated in a group defined benefit scheme for certain of its employees. From 1 November 1998 contributions into that section of the scheme ceased and were replaced by contributions into a new group defined contribution section of the scheme. The assets of both sections of the scheme are held separately from those of the company in an independently administered fund.

The latest actuarial valuation of the defined benefit section of the scheme was prepared at 30 June 2000 by an independent professionally qualified actuary. As ongoing accrual of defined benefits ceased from 31 October 1998 this valuation was performed using the assumptions and methodology underlying the 'Minimum Funding Requirement' basis. The market value of the defined benefit section assets was £43,503,000, representing 99.9% of the value of benefits accrued to members. The average remaining service lives of employees in the scheme is approximately 15 years. The amortisation of this deficit over this period amounts to £2,900 per annum and is being charged in the financial statements of the company's parent undertaking on the basis that the amounts attributable to each participating subsidiary are not material to their individual financial statements.

The total pension cost of the company during the period in respect of the defined contribution section of the scheme was £39,641 (2004 - £37,340).

In view of the significant changes arising from the change in mode of operation of the group scheme the directors of the parent undertaking and the company believe it is currently misleading and not appropriate to incur the costs required to comply with the disclosure requirements of Financial Reporting Standard No.17 "Retirement Benefits" ("FRS 17").

The company is required to comply fully with FRS 17 in its financial statements for the year ended 30 September 2006. However, for the purposes of FRS 17 the company treats the group scheme as if it were a defined contribution scheme on the grounds that the directors are unable to identify the company's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

Where FRS 17 is not being implemented in full, in the case of a defined benefit scheme being treated as a defined contribution scheme, the transitional arrangements of FRS 17 in respect of accounting periods ending on or after 22 June 2003 require the disclosure of any available information about the existence of the surplus or deficit in the scheme and the implications of that surplus or deficit for the employer. Such disclosure would be in addition to that provided under SSAP 24.

The directors have decided not to ask their actuaries to provide this information because they believe the cost of obtaining such information outweighs the benefit to shareholders. As a result, the directors have not provided the disclosure detailed above in these financial statements.

Notes to the abbreviated financial statements
at 30 September 2005

14. Commitments under operating leases

At 30 September 2005 the company had annual commitments under non-cancellable operating leases as set out below:

	Assets other than land and buildings	
	2005	*2004*
	£	*£*
Operating leases which expire:		
Within one year	–	–
In two to five years	–	–
	–	–

15. Related party transactions

At the balance sheet date an amount of £930,174 remains due to A H Foods Limited from Hotspur (NI) Limited, a company of which Messrs J McGurk and M Moreland are directors and is included in 'other debtors' (note 9).

16. Share capital

		Authorised
	2005	*2004*
	£	*£*
Ordinary shares of £1 each	1,178,250	1,178,250

	Allotted, called up and fully paid			
		2005		*2004*
	No.	*£*	*No.*	*£*
Ordinary shares of £1 each	1,026,750	1,026,750	1,026,750	1,026,750

Notes to the abbreviated financial statements
at 30 September 2005

17. Reconciliation of shareholder's funds and movement on reserves

	Share capital	*Revaluation reserve*	*Profit and loss account*	*Total share-holders' funds*
	£	*£*	*£*	*£*
At 30 September 2003	1,026,750	2,226,728	1,538,203	4,791,681
Profit for the year	-	-	938,319	938,319
At 30 September 2004	1,026,750	2,226,728	2,476,522	5,730,000
Profit for the year	-	(319,826)	1,078,598	758,772
Dividend	-	-	(1,000,000)	(1,000,000)
At 30 September 2005	1,026,750	1,906,902	2,555,120	5,488,772

18. Ultimate controlling undertakings

The immediate parent undertaking is Andrews Milling Limited, a company incorporated in Northern Ireland. Its ultimate parent undertaking is Andrews Holdings Limited, a company incorporated in Northern Ireland. This is the parent undertaking of the largest group of which the company is a member and for which group accounts are prepared. Copies of its group accounts may be obtained from its registered office, Belfast Mills, 71/75 Percy Street, Belfast, BT13 2HW.