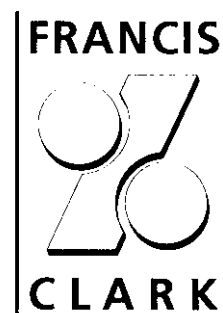
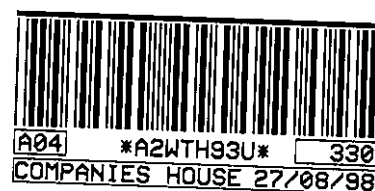


Registered Number: 571334

Philip Dennis Frozen Foods Limited

Annual Report

Year Ended 31 January 1998



CHARTERED
ACCOUNTANTS

Philip Dennis Frozen Foods Limited

Annual Report

Year Ended 31 January 1998

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Philip Dennis Frozen Foods Limited

Company Information

Directors: J P Dennis BSc
Mrs E Dennis BA

Secretary: Mrs E Dennis BA

Registered Office: Devonian Cold Store
Mullacott Industrial Estate
Ilfracombe
Devon
EX34 8PL

Auditors: Francis Clark
Southernhay House
36 Southernhay East
Exeter
EX1 1NX



Philip Dennis Frozen Foods Limited

Directors' Report

The directors submit their report and the audited financial statements for the year ended 31 January 1998.

Results and Dividends

The trading profit for the year after tax was £285,585 (1997 - £350,776). Retained profits of £285,585 (1997 - £240,776) have been transferred to reserves.

Principal Activity

The company's principal activity during the year was the distribution of frozen foods.

Directors

The directors who served during the year and their interests in the shares of the company throughout were as follows:

	At 31/1/98 Ordinary A Shares	At 1/2/97 Ordinary B Shares	At 31/1/98
J P Dennis BSc	42,634	15,000	5,000
Mrs E Dennis BA	42,633	15,000	5,000

Since the year end the directors have transferred 32.4% of their holdings in the Ordinary A shares of the company into a discretionary trust.

Auditors

During the year Perrin & Co resigned as auditors of the company. Francis Clark were appointed to fill the casual vacancy. A resolution to reappoint the auditors, Francis Clark, Chartered Accountants, will be proposed at the annual general meeting.

By Order of the Board


Secretary

Philip Dennis Frozen Foods Limited

Statement of Directors' Responsibilities

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.
- 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 Act 1985. 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.



Philip Dennis Frozen Foods Limited

Auditors' Report to the Members

We have audited the financial statements on page 5 to 14.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Francis Clark
Chartered Accountants
Southernhay House
36 Southernhay East
Exeter
EX1 1NX



18 August 1998

Registered Auditors



Philip Dennis Frozen Foods Limited

Profit and Loss Account

Year Ended 31 January 1998

	Notes	1998 £	1997 £
Turnover	2	12,189,169	11,792,832
Cost of sales		(9,406,209)	(9,123,728)
Gross profit		2,782,960	2,669,104
Administrative expenses		(2,444,751)	(2,157,846)
Operating profit	3	338,209	511,258
Interest receivable		7,032	3,448
Interest payable	5	(11,358)	(11,748)
Profit on ordinary activities before taxation		333,883	502,958
Taxation on profit on ordinary activities	6	(48,298)	(152,182)
Profit for the financial year		285,585	350,776
Ordinary dividend	7	-	(110,000)
Retained profit transferred to reserves	15	285,585	240,776

Movements on reserves are set out in note 15 on page 13.

The company has no recognised gains or losses other than the profit for the year.

The company's results derive from continuing activities.



Philip Dennis Frozen Foods Limited

Balance Sheet

31 January 1998

	Notes	£	1998 £	£	1997 £
Fixed assets					
Tangible assets	8		1,833,282		1,893,459
Investments	9		10,400		10,400
			<u>1,843,682</u>		<u>1,903,859</u>
Current assets					
Stocks	10	414,321		478,786	
Debtors	11	530,520		501,207	
Cash at bank and in hand		229,437		6,863	
		<u>1,174,278</u>		<u>986,856</u>	
Creditors - Amounts falling due within one year	12	(1,214,627)		(1,359,312)	
Net current liabilities			<u>(40,349)</u>		<u>(372,456)</u>
Total assets less current liabilities			<u>1,803,333</u>		<u>1,531,403</u>
Provisions for liabilities and charges	13		<u>(89,622)</u>		<u>(103,277)</u>
			<u>1,713,711</u>		<u>1,428,126</u>
Capital and reserves					
Called up share capital	14		115,267		115,267
Profit and loss account	15		1,598,444		1,312,859
Shareholders' funds	15		<u>1,713,711</u>		<u>1,428,126</u>

Approved by the Board on 18 April 1998 and signed on its behalf by

Director

JP DENNIS



Philip Dennis Frozen Foods Limited

Cash Flow Statement

Year Ended 31 January 1998

	Notes	1998 £	1997 £
Net cash inflow from operating activities	18	578,611	737,936
Returns on investments and servicing of finance			
Interest received		7,032	3,448
Interest paid		(10,499)	(10,344)
Interest paid on hire purchase contracts		(859)	(1,404)
Cash outflow for returns on investments and servicing of finance		(4,326)	(8,300)
Taxation		(92,818)	(125,235)
Capital expenditure and financial investment			
Receipts from sales of tangible fixed assets		105,051	26,444
Payments to acquire tangible fixed assets		(360,531)	(560,701)
Cash outflow for capital expenditure and financial investment		(255,480)	(534,257)
Equity dividends paid		-	(110,000)
Financing			
Proceeds from issue of shares		-	30,000
Capital element of repayments under hire purchase contracts	19,20	(3,413)	(5,850)
Cash (outflow) / inflow from financing		(3,413)	24,150
Increase / (decrease) in cash	19,20	<u>222,574</u>	<u>(15,706)</u>



Philip Dennis Frozen Foods Limited

Notes and Accounting Policies

Year Ended 31 January 1998

1 Accounting Policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

(a) **Turnover**

Turnover represents sales at invoice value less trade discounts allowed and excluding value added tax.

(b) **Basis of preparation**

The group is exempt under s248 of the Companies Act 1985 from the requirement to prepare group accounts.

(c) **Tangible fixed assets and depreciation**

Tangible assets other than freehold land are depreciated over their estimated useful lives, at the following rates:

Freehold buildings	2% on cost
Leasehold property	Over the term of the lease
Plant and computers	Equal instalments up to 10 years
Fixtures and fittings	10% on cost
Motor vehicles	12.5% to 25% on cost

(d) **Stocks**

Stocks are stated at the lower of cost and net realisable value using the first in first out method.

Cost comprises the actual cost of purchases. Net realisable value is the estimated selling price reduced by all costs of selling and distribution.

(e) **Deferred taxation**

Provision is made for deferred tax, using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

(f) **Leased assets**

Fixed assets acquired under finance leases on hire purchase contracts are capitalised and depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

The costs of operating leases are charged to the profit and loss account as they accrue.

(g) **Pension costs**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they fall due.



Philip Dennis Frozen Foods Limited

Notes and Accounting Policies

Year Ended 31 January 1998

2 Turnover

Turnover and profit in ordinary activities before taxation were generated from the company's principal activity.

3 Operating profit

	1998 £	1997 £
Operating profit is stated after charging:		
Depreciation charges - owned assets	300,391	226,020
- leased assets	-	7,512
Loss on sale of fixed assets	15,266	7,606
Operating lease charges - land and buildings	44,672	49,113
Hire of plant and machinery	520	466
Auditors' remuneration	7,260	4,761
Directors' emoluments	157,909	115,821

Pension contributions of £64,000 (1997- £59,000) were payable to a defined contribution scheme in respect of the two directors.

4 Staff costs

	1998 Number	1997 Number
Average number of staff employed in the year	88	77
	£	£
Aggregate amounts paid in respect of:		
Wages and salaries	1,236,702	1,069,647
Social security costs	120,880	105,372
Other pension costs	75,757	64,766
	1,433,339	1,239,785

5 Interest payable

	1998 £	1997 £
On bank loans and overdrafts	10,499	10,344
On hire purchase contracts	859	1,404
	11,358	11,748



Philip Dennis Frozen Foods Limited

Notes and Accounting Policies

Year Ended 31 January 1998

6	Taxation	1998 £	1997 £
	The taxation charge based on the results for the year is made up as follows:		
	UK corporation tax at 21.5% (1997- 28%)	61,953	121,699
	Deferred taxation	(13,655)	30,483
		<u>48,298</u>	<u>152,182</u>

The credit for deferred tax in the year includes £25,819 relating to a reduction in the rate of corporation tax applied in the calculation.

7	Dividends	1998 £	1997 £
	Ordinary dividends:		
	A ordinary shares		
	Interim dividend paid of £nil (1997- £1.29) per share	<u>-</u>	<u>110,000</u>



Philip Dennis Frozen Foods Limited

Notes and Accounting Policies

Year Ended 31 January 1998

8 Fixed Assets - Tangible

	Freehold property £	Plant and computers £	Fixtures and fittings £	Motor vehicles £	Totals £
Cost					
At 1 February 1997	547,026	597,642	68,950	1,550,512	2,764,130
Additions	-	17,089	-	343,442	360,531
Disposals	-	-	-	(239,157)	(239,157)
At 31 January 1998	547,026	614,731	68,950	1,654,797	2,885,504
Depreciation					
At 1 February 1997	47,917	343,027	31,356	448,371	870,671
Charge for year	10,941	70,840	6,298	212,312	300,391
Eliminated on disposals	-	-	-	(118,840)	(118,840)
At 31 January 1998	58,858	413,867	37,654	541,843	1,052,222
Net book amounts					
At 31 January 1998	488,168	200,864	31,296	1,112,954	1,833,282
At 31 January 1997	499,109	254,615	37,594	1,102,141	1,893,459

9 Fixed Assets - Investments

	1998 £	1997 £
Investment in subsidiary undertaking	10,400	10,400

The subsidiary undertaking is V J G Foods Limited, a wholly owned dormant company.



Philip Dennis Frozen Foods Limited

Notes and Accounting Policies

Year Ended 31 January 1998

	1998 £	1997 £
10 Stock		
Goods for resale	<u>414,321</u>	<u>478,786</u>
11 Debtors		
	1998 £	1997 £
Due within one year :		
Trade debtors	392,589	315,799
VAT	38,708	86,111
ACT recoverable	-	27,500
Other debtors	1,222	37,670
Prepayments and accrued income	<u>98,001</u>	<u>34,127</u>
	<u>530,520</u>	<u>501,207</u>
12 Creditors		
	1998 £	1997 £
Amounts falling due within one year:		
Trade creditors	920,005	963,799
Corporation tax payable	61,953	120,318
Other taxation and social security	34,311	22,094
Directors' current accounts	25,134	57,990
Hire purchase instalments	-	3,413
Amounts owed to subsidiary undertaking	10,400	10,400
Accruals	<u>162,824</u>	<u>181,298</u>
	<u>1,214,627</u>	<u>1,359,312</u>

Security has been given by the company in respect of £Nil (1997 - £3,413) of the above creditors.



Philip Dennis Frozen Foods Limited

Notes and Accounting Policies

Year Ended 31 January 1998

13 Provisions for liabilities and charges

	£
Deferred taxation	
At 1 February 1997	103,277
Credit to profit and loss account	(13,655)
At 31 January 1998	89,622

Deferred tax has been fully provided in respect of accelerated capital allowances.

14 Share Capital

There was no change in share capital during the year.

	Authorised	Allotted and fully paid
Ordinary A shares of £1 each	150,000	85,267
Ordinary B shares of £1 each	50,000	30,000
	<u>200,000</u>	<u>115,267</u>

15 Movement in Shareholders' Funds

	Share capital £	Profit and loss account £	1998 £	1997 £
At 1 February 1997	115,267	1,312,859	1,428,126	1,157,350
Retained profit	-	285,585	285,585	240,776
Issue of B shares	-	-	-	30,000
At 31 January 1998	115,267	1,598,444	1,713,711	1,428,126

16 Financial Commitments

	1998 £	1997 £
At 31 January 1998, the company had annual commitments under non-cancellable operating leases that expire as follows:		
Land and buildings		
Between two and five years	23,000	23,000
Over five years	21,250	21,250



Philip Dennis Frozen Foods Limited

Notes and Accounting Policies

Year Ended 31 January 1998

16 Financial Commitments (continued)

	1998 £	1997 £
Future capital expenditure		
Contracted but not provided for	85,512	-

17 Control

The company is under the effective control of its directors.

18 Reconciliation of operating profit to net cash inflow from operating activities

	1998 £	1997 £
Operating profit	338,209	511,258
Depreciation	300,391	233,532
Loss on sale of tangible fixed assets	15,266	7,606
Decrease in stocks	64,465	106,117
Increase in debtors	(56,813)	(42,938)
Decrease in creditors	(82,907)	(77,639)
Net cash inflow from operating activities	578,611	737,936

19 Reconciliation of net cash flow to movement in net funds

	£	£
Increase / (decrease) in cash in the period	222,574	(15,706)
Cash outflow from decrease in hire purchase financing	3,413	5,850
Change in net funds in the period	225,987	(9,856)
Net funds at 1 February 1997	3,450	13,306
Net funds at 31 January 1998	229,437	3,450

20 Analysis of changes in net funds

	At 1 February 1997 £	Cash flows £	Other changes £	At 31 January 1998 £
Cash at bank and in hand	6,863	222,574	-	229,437
Hire purchase contracts	(3,413)	3,413	-	-
Total net funds	3,450	225,987	-	229,437



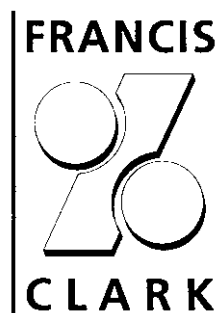
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