

**RIVENDALE FOODS LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE TWELVE MONTHS ENDING 31 MARCH 1995**

**REGISTRATION NUMBER: 1220328**



# RIVENDALE FOODS LTD

## DIRECTORS' REPORT

The Directors present their report and the audited accounts for the 12 month period ended 31 March 1995.

### PRINCIPAL ACTIVITIES

The principal activity of the Company continued to be the production and distribution of chilled convenience foods.

### REVIEW OF THE BUSINESS

This year has seen the continued consolidation of the manufacturing facilities as a direct result of the major fire which occurred in December 1993. This has resulted in a slower than anticipated return to profitability.

### DIRECTORS

The profit for the year retained in the company was £453,000 (1994 loss of £2,725,000).

The Directors who held office during the period were as follows:-

D S Lambert  
M Skipwith  
G C Summerfield

### DIRECTORS' INTERESTS

The Directors had the following beneficial interests in the ordinary shares and loan capital of Unigate Plc:

M Skipwith  
G C Summerfield  
D S Lambert

31 March 1995		31 March 1994	
Ordinary shares of 25p each		Ordinary shares of 25p each	
Fully Paid	Options	Fully Paid	Options
3,650	168,924	3,650	168,924
1,000	258,256	1,000	221,788
NIL	NIL	NIL	NIL

## **RIVENDALE FOODS LTD**

### **POST BALANCE SHEET EVENTS**

As part of the reorganisation of the Unigate Group of Companies the business and undertakings of Rivendale Foods Limited were transferred to Unigate (UK) Limited at book value, with effect from 1st April, 1995.

### **SIGNIFICANT CHANGES IN FIXED ASSETS**

A schedule showing the movement in fixed assets is disclosed in Note 7 to the accounts.

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

The company made no political or charitable donations during the period.

### **AUDITORS**

On 6 February 1995 our Auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name.

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as Auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



Registered Office  
Unigate House  
Wood Lane  
London  
W12 7RP

M. Skipwith  
Director  
25th January, 1996

## **RIVENDALE FOODS LTD**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 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 and;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors have general responsibility for the keeping of 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 Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

# **RIVENDALE FOODS LTD**

## **REPORT OF THE AUDITORS TO THE MEMBERS OF RIVENDALE FOODS LIMITED**

We have audited the accounts on pages 5 to 15.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described above the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 affairs of the Company as at 31 March 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*WML*

KPMG  
Chartered Accountants  
Registered Auditors  
Swindon

# RIVENDALE FOODS LTD

## PROFIT AND LOSS ACCOUNT FOR THE 12 MONTHS ENDED 31 MARCH 1995

	<u>Note</u>	<u>1995</u> <u>(12 months)</u> <u>£000s</u>	<u>1994</u> <u>(15 months)</u> <u>£000s</u>
Turnover		5,542	12,027
Cost of sales		<u>(5,757)</u>	<u>(10,268)</u>
Gross profit		(215)	1,759
Other operating expenses and income	1	<u>-165</u>	<u>(4,921)</u>
Operating loss	2	(50)	(3,162)
Interest payable, net and other finance charges	3	<u>(124)</u>	<u>(478)</u>
Loss on ordinary activities before taxation		<u>(174)</u>	<u>(3,640)</u>
Taxation on loss on ordinary activities	4	<u>(141)</u>	<u>915</u>
Loss on ordinary activities after taxation and retained	15	<u>(315)</u>	<u>(2,725)</u>

The notes on pages 7 to 15 form part of these accounts.

All of the operating loss and exceptional items are in respect of continued activities.

There are no recognised gains or losses for the current financial period or the preceding financial period other than as stated in the profit and loss account.

There is no material difference between the Company results as reported and on an unmodified historical cost basis. Accordingly, no note of historical cost profits and losses has been included.

# RIVENDALE FOODS LTD

## BALANCE SHEET AS AT 31 MARCH 1995

	<u>Note</u>	<u>1995</u> <u>£000s</u>	<u>1994</u> <u>£000s</u>
Fixed assets			
Tangible fixed assets	7	2,762	1,850
Investment	8	<u>52</u>	<u>2</u>
		2,814	1,852
Current assets			
Stocks	9	463	547
Debtors	10	<u>3,358</u>	<u>5,365</u>
		3,821	5,912
Creditors: amounts falling due within one year	11	<u>(3,565)</u>	<u>(1,954)</u>
Net current assets		<u>256</u>	<u>3,958</u>
Total assets less current liabilities		<u>3,070</u>	<u>5,810</u>
Amounts falling due in more than one year	11	(3,283)	(6,314)
Provisions for liabilities and charges	12	(454)	(196)
Accruals and deferred income	13	<u>(483)</u> <u>(1,150)</u>	<u>(135)</u> <u>(835)</u>
Capital and reserves			
Called up share capital	14	75	75
Revaluation reserve	15	7	7
Profit and loss account	15	<u>(1,232)</u> <u>(1,150)</u>	<u>(917)</u> <u>(835)</u>

The notes on pages 7 to 15 form part of these accounts.

The Accounts on pages 5 to 15 were approved by the Board of Directors on 25th January, 1996 and are signed on its behalf by:-

M. Skipwith.......... Director

**ACCOUNTING POLICIES**

**ACCOUNTING CONVENTION**

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards. There were no changes in accounting policies during the period.

**CASH FLOW STATEMENT**

The Company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard No. 1, as it is a wholly owned subsidiary of Unigate PLC which prepares a consolidated cash flow statement dealing with the cash flows of the group.

**TURNOVER**

Turnover represents the amount charged to customers for goods and services supplied, excluding Value Added Tax.

**TANGIBLE FIXED ASSETS**

No depreciation is charged on freehold land. Depreciation is charged on all other tangible fixed assets on a straight line basis over their estimated useful lives as follows:-

Leasehold land and buildings	50 years or the term of the lease if less
Plant and equipment	10 years
Motor vehicles, computers and office equipment	5 years

Grants received in respect of expenditure on fixed assets are taken to profit and loss account in equal annual instalments over the estimated useful lives of the assets concerned.

**STOCKS**

Stocks are stated at the lower of cost, including attributable overhead expenditure, and net realisable value.

**DEFERRED TAXATION**

Deferred taxation, calculated using the liability method, is provided where it is probable that a liability will crystallise.

**PENSIONS**

Contributions to the Group's pension schemes are charged to the profit and loss account so as to spread the cost of pensions over the service lives of the employees in the schemes. Variations from the regular cost are spread over the expected average remaining service lives of current employees in the schemes.

**RESEARCH AND DEVELOPMENT**

Expenditure on research and development is written off in the period in which it is incurred.

# RIVENDALE FOODS LTD

## NOTES TO THE ACCOUNTS

### 1 OTHER OPERATING CHARGES AND INCOME

	<u>1995</u> <u>(12 months)</u> <u>£000s</u>	<u>1994</u> <u>(15 months)</u> <u>£000s</u>
Distribution and selling costs	305	1,350
Administration expenses	694	1,384
Other income	(1,164)	(153)
Exceptional item	-	2,340
	<u>(165)</u>	<u>4,921</u>

The other income in the 12 months to 31st March, 1995 represents the net position following the settlement of the insurance claim for the fire in December, 1993 :-

	<u>£000's</u>
Consequential loss	(3,055)
Surplus over building value	(4,760)
Costs arising as result of fire	3,974
Provision for future losses	<u>2,677</u>
	<u>(1,164)</u>

### 2 OPERATING LOSS

The operating loss is arrived at after charging:-

	<u>1995</u> <u>(12 months)</u> <u>£000s</u>	<u>1994</u> <u>15 months)</u> <u>£000s</u>
Depreciation	151	425
Auditors' remuneration - audit fees	-	7
other fees	-	-

# RIVENDALE FOODS LTD

## NOTES TO THE ACCOUNTS (continued)

### 3 INTEREST PAYABLE, NET AND OTHER FINANCE CHARGES

	<u>1995</u> <u>(12 months)</u> <u>£000s</u>	<u>1994</u> <u>(15 months)</u> <u>£000s</u>
Interest on loans charged by parent company	74	412
Interest and other finance charges on other loans	<u>50</u> <u>124</u>	<u>66</u> <u>478</u>

### 4 TAXATION ON LOSS ON ORDINARY ACTIVITIES

	<u>1995</u> <u>(12 months)</u> <u>£000s</u>	<u>1994</u> <u>(15 months)</u> <u>£000s</u>
Current Taxation	(117)	-
Deferred Taxation	<u>258</u> <u>141</u>	<u>(915)</u> <u>(915)</u>

### 5 STAFF

The average weekly number of full-time and part-time employees during the period was:-

	<u>1995</u> <u>Number</u>	<u>1994</u> <u>Number</u>
Manufacturing and processing	121	175
Distribution and selling	0	34
Other	<u>55</u>	<u>16</u>
	<u>176</u>	<u>225</u>
Staff costs amounted to:	<u>£000s</u>	<u>£000s</u>
Wages and salaries	1,141	2,415
Social Security costs	121	217
Other pension costs	<u>38</u>	<u>66</u>
	<u>1,300</u>	<u>2,698</u>

# RIVENDALE FOODS LTD

## NOTES TO THE ACCOUNTS (continued)

### 6 DIRECTORS' REMUNERATION

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Directors remuneration	47,500	192,635

Particulars of individual Director's emoluments (excluding pension contributions) were:

	<u>1995</u>	<u>1994</u>
Highest paid Director	47,500	47,500

The emoluments of the Directors fell within the following ranges:

	<u>1995</u> <u>Number</u>	<u>1994</u> <u>Number</u>
£0 to £5,000	2	5
£5,001 to £10,000	-	1
£30,001 to £35,000	-	2
£45,001 to £50,000	1	1

There were no contracts or arrangements existing during or at the end of the period in which a Director of the Company is or was materially interested and which is or was significant in relation to the business of the Company.

# RIVENDALE FOODS LTD

## NOTES TO THE ACCOUNTS (continued)

### 7 TANGIBLE FIXED ASSETS

	<u>Freehold land and buildings £000</u>	<u>Plant and equipment £000</u>	<u>Motor vehicles £000</u>	<u>Total £000</u>
Cost				
1 April 1994	959	982	260	2,201
Additions	833	426	-	1,259
Inter Group transfers	-	(10)	(154)	(164)
Disposals	-	(140)	-	(140)
31 March 1995	1,792	1,258	106	3,156
Depreciation				
1 April 1994	141	53	157	351
Charge for the year	20	109	22	151
Inter Group transfers	-	-	(104)	(104)
Disposals	-	(4)	-	(4)
31 March 1995	161	158	75	394
Net book value				
31 March 1995	1,631	1,100	31	2,762
Net book value				
31 March 1994	818	929	103	1,850

### 8 INVESTMENT

The fixed asset investment at 31 March 1995 was 1,500 £1 shares (1994: 1,500 shares) in Welsh Bakers Buying Group Limited, acquired at par and £50,000 loan to Ethnic Cuisine. (1994: Nil).

# RIVENDALE FOODS LTD

## NOTES TO THE ACCOUNTS (continued)

### 9 STOCKS

	<u>1995</u> <u>£000's</u>	<u>1994</u> <u>£000's</u>
Raw materials and consumables	463	402
Finished goods and goods for resale	<u>-</u>	<u>145</u>
	<u>463</u>	<u>547</u>

### 10 DEBTORS

	<u>1995</u> <u>£000's</u>	<u>1994</u> <u>£000's</u>
Due within one year:-		
Trade debtors	794	1,104
Other debtors	2,554	4,232
Prepayments and accrued income	<u>10</u>	<u>29</u>
	<u>3,358</u>	<u>5,365</u>

### 11 CREDITORS

	<u>1995</u> <u>£000's</u>	<u>1994</u> <u>£000's</u>
Amounts falling due within one year:-		
Trade creditors	564	887
Amounts owed to fellow subsidiary undertaking	642	139
Amounts owed to parent company	-	33
Other, including tax and social security	59	75
Accruals and deferred income	<u>2,300</u>	<u>820</u>
	<u>3,565</u>	<u>1,954</u>

# RIVENDALE FOODS LTD

## NOTES TO THE ACCOUNTS (continued)

### 11 CREDITORS (continued)

	<u>1995</u> <u>£000's</u>	<u>1994</u> <u>£000's</u>
Amounts falling due after more than one year:		
ECSC Loan	500	500
Due to parent company	<u>2,783</u>	<u>5,814</u>
	<u>3,283</u>	<u>6,314</u>

A £500,000 10.5% loan was provided by the European Coal and Steel Community in March 1992 .

### 12 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation is provided in full

	<u>1995</u> <u>£000's</u>	<u>1994</u> <u>£000's</u>
Deferred taxation at 33% (1994 33%)	<u>454</u>	<u>196</u>

Movements in deferred tax provision during the period

	<u>1995</u>
31 March 1994	196
Profit and loss account	<u>258</u>
31 March 1995	<u>454</u>

### 13 ACCRUALS AND DEFERRED INCOME

	<u>1995</u> <u>£000's</u>
EEC and UK grants	
31 March 1994	135
Grant received	388
Taken to profit and loss account	<u>(40)</u>
31 March 1995	<u>483</u>

# RIVENDALE FOODS LTD

## NOTES TO THE ACCOUNTS (continued)

### 14 SHARE CAPITAL

1995 and 1994  
£000's

Authorised:-

500,000 Ordinary Shares of £1 500

Allotted, called up and fully paid:

75,000 Ordinary Shares of £1 75

### 15 RESERVES

£000's

Movements during the year:

Revaluation reserve:

31 March 1995 and 1994 7

Profit and Loss Account: £000's

31 March 1994 (917)

Retained profit for period (315)

31 March 1995 (1,232)

### 16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

1995  
(12 months)  
£000's

1994  
(15 months)  
£000's

Retained profit/(loss) for the period (315) (2,725)

Opening shareholders' funds (835) 1,890

Closing shareholders' funds (1,150) (835)

## RIVENDALE FOODS LTD

### 17 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	<u>1995</u> <u>(12 months)</u> <u>£000's</u>	<u>1994</u> <u>(15 months)</u> <u>£000's</u>
Contracted for but not provided for in the accounts	<u>NIL</u>	<u>561</u>

There were no contingent liabilities at 31 March 1995 (1994: Nil).

### 18 PENSIONS

The Company participated in the Unigate PLC Group Pension Scheme. Full details of this scheme are provided in the Unigate PLC accounts.

### 19 ULTIMATE PARENT COMPANY

The ultimate parent company is Unigate PLC, a company registered in England and Wales.

The largest and smallest group in which the results of Rivendale Foods Limited are consolidated is that headed by Unigate PLC. Copies of the report and accounts can be obtained from Unigate House, Wood Lane, London W12 7RP.

### 20 POST BALANCE SHEET EVENTS

As part of the reorganisation of the Unigate Group of Companies the business and undertakings of Rivendale Foods Limited were transferred to Unigate (UK) Limited at book value, with effect from 1st April, 1995.