

ALEMBIC PRODUCTS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
for the year ended
31st August 2009

COMPANY REGISTRATION NO : 1503644

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ALEMBIC PRODUCTS LIMITED

Report of the Directors for the year ended 31st August 2009

The directors submit their report and accounts for the year ended 31st August 2009

Results, dividends and activities

The results for the period are shown on the Profit and Loss Account on page 5

The profit for the period before taxation amounts to £44,230 (2008 £317,269)

An interim dividend of £4,372,459 has been paid. The directors do not recommend the payment of a final dividend for the year

The principal activities of the company during the year were the production and distribution of premium food products

Business review

The company continued to trade satisfactorily until 30th November 2008

With effect from 1st December 2008 the trade of the company was transferred to English Provender Company Limited, a fellow subsidiary undertaking

Financial risk management objectives and policies

The company uses conventional forms of working capital to finance its day to day activities and as such the figures appearing in the accounts reflect the absolute value of amounts recoverable and payable. The directors receive regular reports on these figures in order to manage the company's requirements

The company is exposed to normal credit and cash flow risks associated with selling on credit and manages this through credit control procedures

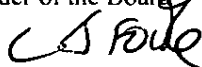
Directors

At 31st August 2009 the directors were Mr E W Billington, Mr M R Cashin, and Mr D Marshall

Auditors

Mitchell Charlesworth are deemed to be re-appointed under Section 487(2) of the Companies Act 2006

By Order of the Board



C J FOWLE

Secretary

Cunard Building,
Liverpool L3 1EL

22 December 2009

ALEMBIC PRODUCTS LIMITED

Statement of Directors' Responsibilities for the year ended 31st August 2009

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 year. 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,

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 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 accounts 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditors are unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Mitchell Charlesworth

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALEMBIC PRODUCTS LIMITED

We have audited the accounts of Alembic Products Limited for the year ended 31st August 2009 on pages 5 to 12, which have been prepared on the basis of the accounting policies set out on page 7. 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).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 directors, and the overall presentation of the accounts.

Opinion

In our opinion the accounts

give a true and fair view of the state of the company's affairs as at 31st August 2009 and of its profit 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Mitchell Charlesworth

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALEMBIC PRODUCTS LIMITED

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 accounts 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



MR P L GRIFFITHS

(Senior Statutory Auditor)

For and on behalf of

MITCHELL CHARLESWORTH

Chartered Accountants

Statutory Auditor

22nd December 2009

ALEMBIC PRODUCTS LIMITED

Profit and Loss Account for the year ended 31st August 2009

	Notes	12 months ended 31st August 2009	17 months ended 31st August 2008
Turnover	2	6,901,748	40,606,238
Cost of sales		<u>6,020,102</u>	<u>33,534,866</u>
Gross profit		881,646	7,071,372
Administrative expenses		<u>822,619</u>	<u>6,421,422</u>
Operating profit	3	59,027	649,950
Exceptional item	5	<u>-</u>	<u>207,388</u>
Profit on ordinary activities before interest		59,027	442,562
Interest receivable	6	-	(535)
Interest payable	7	<u>14,797</u>	<u>125,828</u>
Profit on ordinary activities before taxation		44,230	317,269
Taxation	8	<u>14,622</u>	<u>217,145</u>
Profit on ordinary activities after taxation		<u>£ 29,608</u>	<u>£ 100,124</u>

The turnover and operating profit is wholly attributable to discontinued operations of the company

The company has no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 7 to 12 form part of these accounts

ALEMBIC PRODUCTS LIMITED

Balance Sheet 31st August 2009

	Notes	2009	2008
Fixed assets			
Tangible assets	10	-	1,454,454
Current assets			
Stocks	11	-	1,216,660
Debtors	12	53,337	7,095,521
Cash at bank and in hand		<u>-</u>	<u>18</u>
		53,337	8,312,199
Creditors			
Amounts falling due within one year	13	<u>-</u>	<u>5,135,077</u>
Net current assets		<u>53,337</u>	<u>3,177,122</u>
Total assets less current liabilities		53,337	4,631,576
Provision for liabilities and charges			
Deferred taxation	14	-	28,000
Other provisions	15	<u>-</u>	<u>207,388</u>
		<u>£53,337</u>	<u>£4,396,188</u>
Capital and reserves			
Called up share capital	16	10,457	10,457
Share premium account	17	42,880	42,880
Profit and loss account	18	<u>-</u>	<u>4,342,851</u>
Total shareholders' funds	19	<u>£53,337</u>	<u>£4,396,188</u>

These accounts were approved by the Board of Directors and authorised for issue on 22nd December 2009 and are signed on its behalf by

M R CASHIN - Director

The notes on pages 7 to 12 form part of these accounts

Company Registration No 1503644



ALEMBIC PRODUCTS LIMITED

Notes to the Accounts

1. Accounting policies

Accounting basis

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards

Related party transactions

Details of transactions with fellow group undertakings are not disclosed in these accounts as they are included in the consolidated accounts of Edward Billington and Son Limited

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets evenly over their anticipated useful lives at the following rates

Plant and machinery	10% - 25% straight line
Fixtures and fittings	12.5% - 20% straight line
Motor vehicles	25% straight line
Equipment	20% straight line

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less tax

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 an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date

Stocks

Stocks are valued at the lower of cost and net realisable value

Foreign currencies

Assets and liabilities are converted into sterling at the rate of exchange ruling at the Balance Sheet date. Any exchange differences are reflected in the profits for the period

Pension contributions

Contributions in respect of defined contribution pension schemes are charged to the Profit and Loss Account when they become payable

Financial instruments

Financial instruments are classified and accounted for, according to the substances of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2 Turnover

Turnover represents sales, excluding value added tax, of goods and services during the year

The whole of the company's turnover is generated from the sale of premium food products within the United Kingdom

ALEMBIC PRODUCTS LIMITED

Notes to the Accounts

3. Operating profit

	12 months ended 31st August 2009 £	17 months ended 31st August 2008 £
The profit for the period has been arrived at after charging		
Auditors' Remuneration		
- Audit	3,500	14,000
Depreciation of owned fixed assets	174,562	1,142,416
Loss on disposal of fixed assets	2,362	471,257
Impairment of fixed assets	-	218,603
Operating lease rentals		
Land and buildings	68,478	380,675
Plant and machinery	30,852	137,732

Remuneration paid to the company's auditors for services other than the statutory audit of the company are not analysed in these accounts, since the consolidated accounts of the ultimate parent undertaking, Edward Billington & Son Limited are required to disclose non-audit fees on a consolidated basis

4. Directors' emoluments and staff costs

	12 months ended 31st August 2009	17 months ended 31st August 2008
Directors' emoluments		
Aggregate emoluments	£ -	£267,665
The emoluments of the highest paid director were as follows		
Aggregate emoluments	£ -	£45,831
Staff costs		
Wages and salaries	797,367	5,609,907
Social security costs	74,606	481,160
	£871,973	£6,091,067
Average monthly staff numbers		
Production	114	139
Selling and distribution	12	11
Administration and management	22	21
Technical and development staff	19	19
	167	190

Staff numbers detailed above represent the average number of staff for the three months ended 30th November 2008, at which point, the company's trade was transferred to English Provender Company Limited

ALEMBIC PRODUCTS LIMITED

Notes to the Accounts

	12 months ended 31st August 2009	17 months ended 31st August 2008
5. Exceptional item		
Reorganisation costs	£ -	£207,388
	<u> </u>	<u> </u>
6. Interest receivable	12 months ended 31st August 2009	17 months ended 31st August 2008
Bank interest	£ -	£535
	<u> </u>	<u> </u>
7. Interest payable	12 months ended 31st August 2009	17 months ended 31st August 2008
Interest payable on bank borrowing	9,826	43,805
Other similar charges payable	<u>4,971</u>	<u>82,023</u>
	£14,797	£125,828
	<u> </u>	<u> </u>
8. Taxation on ordinary activities	12 months ended 31st August 2009	17 months ended 31st August 2008
(a) Analysis of charge for period		
Current tax		
UK corporation tax based on the results for the year at 28% (2008 28%)	43,000	455,000
Adjustment in respect of previous period	<u>(8,378)</u>	<u>(444)</u>
Total current tax	34,622	454,556
Deferred tax		
Origination and reversal of timing differences	(26,000)	(237,411)
Adjustment in respect of previous period	<u>6,000</u>	<u>-</u>
Tax on profit on ordinary activities	£14,622	£217,145
	<u> </u>	<u> </u>
(b) Factors affecting current tax charge		
Tax charge arising on profit on ordinary activities at the standard rate of corporation tax of 28% (2008 28%)	12,384	88,835
Expenses not deductible for tax purposes	-	4,705
Depreciation in excess of capital allowances	30,650	349,302
Adjustment to reflect effective tax rate	<u>(34)</u>	<u>12,158</u>
Adjustment in respect of previous period	<u>(8,378)</u>	<u>(444)</u>
Total current tax	£34,622	£454,556
	<u> </u>	<u> </u>
9. Equity dividends	12 months ended 31st August 2009	17 months ended 31st August 2008
Paid equity dividends on ordinary shares	£4,372,459	£43,150
	<u> </u>	<u> </u>

ALEMBIC PRODUCTS LIMITED

Notes to the Accounts

10 Tangible fixed assets

	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Equipment	Total
Cost					
At 1st September 2008	4,846,360	802,880	147,550	95,875	5,892,665
Additions	17,807	1,626	-	-	19,433
Transfers	(4,864,167)	(804,506)	(145,188)	(95,875)	(5,909,736)
Disposals	-	-	(2,362)	-	(2,362)
At 31st August 2009	-	-	-	-	-
Depreciation					
At 1st September 2008	3,708,208	623,539	56,761	49,703	4,438,211
Amount provided	142,212	19,771	8,612	3,967	174,562
Transfers	(3,850,420)	(643,310)	(65,373)	(53,670)	(4,612,773)
At 31st August 2009	-	-	-	-	-
Net book values					
At 31st August 2009	£ -	£ -	£ -	£ -	£ -
At 1st September 2008	£1,138,152	£179,341	£90,789	£46,172	£1,454,454

11. Stocks

2009

2008

Raw materials	-	716,437
Goods for resale	-	500,223
	£ -	£1,216,660

12. Debtors

2009

2008

Trade debtors	-	3,980,630
Prepayments	-	136,601
Ultimate parent undertaking	53,337	-
Fellow subsidiary undertaking	-	2,887,000
Other debtors	-	11,400
Other taxes	-	79,890
	£53,337	£7,095,521

The amount owed by the ultimate parent undertaking is due after more than one year

ALEMBIC PRODUCTS LIMITED

Notes to the Accounts

13. Creditors - amounts falling due within one year	2009	2008
Bank loan and overdraft	-	68,782
Trade creditors	-	3,073,201
Other creditors	-	1,952
Accruals	-	368,721
Corporation tax	-	455,000
Other taxation and social security	-	98,169
Ultimate parent undertaking	-	<u>1,069,252</u>
	£ -	£5,135,077
14. Deferred taxation	2009	2008
Excess of taxation allowances over depreciation on fixed assets	£ -	£28,000
At 1st September 2008	28,000	265,411
Profit and loss account	(20,000)	(237,411)
Group transfers	(8,000)	-
At 31st August 2009	£ -	£28,000
15. Provision for liabilities and charges	2009	2008
Provision for reorganisation costs	£ -	£207,388
		Provision for Reorganisation Costs
At 1st September 2008		207,388
Utilised during the year		<u>(207,388)</u>
At 31st August 2009		£ -
16. Share capital	2009	2008
Authorised		
50,000 ordinary shares of £1 each	£50,000	£50,000
Allotted, called up and fully paid		
10,457 ordinary shares of £1 each	£10,457	£10,457

ALEMBIC PRODUCTS LIMITED

Notes to the Accounts

17. Share premium account

There was no movement on the share premium account during the financial period

18. Profit and loss account

2009

At 1st September 2008

4,342,851

Profit for the period

29,608

Equity dividends paid

(4,372,459)

At 31st August 2009

£ -

19. Reconciliation of movements in shareholders' funds

2009

2008

Profit for the period

29,608

100,124

Equity dividends paid

(4,372,459)

(43,150)

(4,342,851)

56,974

Opening shareholders' funds

4,396,188

4,339,214

Closing shareholders' funds

£ 53,337

£4,396,188

20. Leasing commitments

At 31st August 2009 the company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	Land & Buildings	Other Items	Land & buildings	Other Items
Operating leases which expire				
Within 1 year	-	-	-	17,204
Within 2 to 5 years	-	-	-	76,228
After more than 5 years	-	-	268,712	-
	£ -	£ -	£268,712	£93,432

On 1st December 2008 the trade of the company and all leasing commitments were transferred to English Provender Company Limited

21. Capital commitments

There were no capital commitments at 31st August 2009 (2008 £Nil)

22. Contingent liabilities

At 31st August 2009 and at 31st August 2008 the company has guaranteed the bank liabilities of its immediate parent undertaking Alembic Foods Limited. At 31st August 2009 and at 31st August 2008 these amounted to £Nil

23. Parent undertaking

The immediate parent undertaking is Alembic Foods Limited which is incorporated in England. The ultimate parent undertaking is Edward Billington and Son Limited, which is itself incorporated in England