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**ALEMBIC PRODUCTS LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2001



Company no 1503644

# ALEMBIC PRODUCTS LIMITED

## FINANCIAL STATEMENTS

For the year ended 31 March 2001

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Company registration number: 1503644

Registered office: River Lane  
Saltney  
Cheshire  
CH4 8RQ

Directors: A Simmons  
J M StJ Harris  
A V Brown

Secretary: Halkin Secretaries Limited

Bankers: Barclays Bank Plc  
P O Box 758  
Hamilton Road  
Slough  
Berkshire

Auditors: Grant Thornton  
Registered auditors  
Chartered accountants  
1st Floor  
Royal Liver Building  
Liverpool  
L3 1PS

# **ALEMBIC PRODUCTS LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 March 2001

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# ALEMBIC PRODUCTS LIMITED

## REPORT OF THE DIRECTORS

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The directors present their report together with financial statements for the year ended 31 March 2001.

### Principal activities

The company manufactures and supplies dressings, sauces and natural oils to the food and food service industries.

### Business review

The business continued to grow with turnover up 3.8% on the previous year. There was a profit for the year after taxation amounting to £113,028 (2000: profit £267,301). The directors do not recommend payment of a dividend.

### Directors

The present membership of the Board is set out below. All directors served on the board throughout the year.

The interests of the directors in the shares of the company as at 31 March 2001 and 1 April 2000, were as follows,

	Ordinary shares	
	31 March 2001	1 April 2000
A Simmons	3,113	3,113
J M StJ Harris	209	209
A V Brown	522	522

No director had, during or at the end of the year a material interest in any contract which was significant in relation to the company's business.

### Directors' responsibilities for 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
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# ALEMBIC PRODUCTS LIMITED

## REPORT OF THE DIRECTORS

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### Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

*Katharine Sear*

for

Halkin Secretaries Limited  
Secretary  
2 August 2001

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
ALEMBIC PRODUCTS LIMITED**

We have audited the financial statements on pages 4 to 17 which have been prepared under the accounting policies set out on pages 4 to 5.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

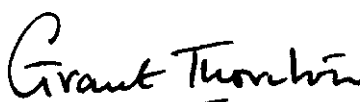
**Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**GRANT THORNTON**  
**REGISTERED AUDITORS**  
**CHARTERED ACCOUNTANTS**  
**LIVERPOOL**  
2 August 2001

# **ALEMBIC PRODUCTS LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The company is exempt from preparing consolidated financial statements on the grounds that, taken together with its subsidiaries, it qualifies as a medium-sized group under section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### **TURNOVER**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is calculated to write down the cost of all tangible fixed assets on a straight line basis over their expected useful lives by equal annual instalments. The rates generally applicable are:

Plant and machinery	10% per annum
Motor vehicles	25% per annum
Fixtures and fittings	12.5 - 20% per annum
Office equipment	20% per annum

### **GOVERNMENT GRANTS**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

Government grants assistance of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

### **INVESTMENTS**

Investments are included at cost less amounts written off.

### **STOCKS**

Stocks are stated at the lower of cost and net realisable value.

### **DEFERRED TAXATION**

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

## **ALEMBIC PRODUCTS LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **CONTRIBUTIONS TO PENSION FUNDS**

##### **Defined contribution scheme**

The company operates a defined contribution pension scheme. The assets are held separately from those of the company in an independently administered fund. Contributions payable to the pension fund are charged to the profit and loss account as they become due.

#### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account as they become due.

#### **FORWARD CONTRACTS**

Open forward contracts are valued collectively at the prices ruling at the year end and provision is made for any net unrealised loss thereon.

#### **JOINT VENTURES**

Entities in which the company holds an interest on a long-term basis and which are jointly controlled by the company and another party are treated as joint ventures.

The balance sheet shows the investment at cost.



**ALEMBIC PRODUCTS LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 March 2001

	Note	2001 £	2000 £
Turnover	1	15,365,363	14,799,552
Cost of sales		(12,605,206)	(11,882,106)
Gross profit		2,760,157	2,917,446
Administrative expenses		(2,596,602)	(2,434,117)
Operating profit		163,555	483,329
Income from other fixed asset investments	3	80,000	-
Other interest receivable and similar income		721	1,678
Interest payable and similar charges	2	(127,930)	(111,293)
Profit on ordinary activities before taxation	1	116,346	373,714
Tax on profit on ordinary activities	5	(3,318)	(106,413)
Profit transferred to reserves	16	113,028	267,301

There were no recognised gains or losses other than the profit for the financial year.

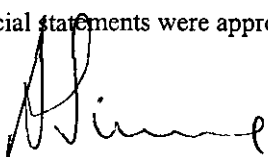
The accompanying accounting policies and notes form an integral part of these financial statements.

# ALEMBIC PRODUCTS LIMITED

## BALANCE SHEET AT 31 MARCH 2001

	Note	2001 £	2001 £	2000 £	2000 £
<b>Fixed assets</b>					
Tangible assets	6		2,378,325		2,131,686
Investments	7		151,300		151,300
			<u>2,529,625</u>		<u>2,282,986</u>
<b>Current assets</b>					
Stocks	8	667,979		907,664	
Debtors	9	2,211,747		2,721,278	
Cash at bank and in hand		2,765		5,162	
		<u>2,882,491</u>		<u>3,634,104</u>	
<b>Creditors: amounts falling due within one year</b>	10	(2,851,649)		(3,455,928)	
<b>Net current assets</b>			<u>30,842</u>		<u>178,176</u>
<b>Total assets less current liabilities</b>			<u>2,560,467</u>		<u>2,461,162</u>
<b>Creditors: amounts falling due after more than one year</b>	11		(468,207)		(487,930)
<b>Provisions for liabilities and charges</b>	12		(168,000)		(162,000)
			<u>1,924,260</u>		<u>1,811,232</u>
<b>Capital and reserves</b>					
Called up share capital	15		10,457		10,457
Share premium account	16		42,880		42,880
Profit and loss account	16		1,870,923		1,757,895
<b>Shareholders' funds</b>	14		<u>1,924,260</u>		<u>1,811,232</u>

The financial statements were approved by the Board of Directors on 2 August 2001 and signed on their behalf by:



A Simmons - Director

The accompanying accounting policies and notes form an integral part of these financial statements.

**ALEMBIC PRODUCTS LIMITED****CASH FLOW STATEMENT**

For the year ended 31 March 2001

	Note	2001 £	2000 £
<b>Net cash inflow from operating activities</b>	17	706,751	815,880
<b>Returns on investments and servicing of finance</b>			
Interest received		721	1,678
Interest paid		(96,884)	(73,287)
Finance lease interest paid		(31,046)	(38,006)
Dividends received		80,000	-
<b>Net cash outflow from returns on investments and servicing of finance</b>		(47,209)	(109,615)
<b>Taxation</b>		(81,282)	(19,254)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(367,493)	(533,310)
Sale of tangible fixed assets		11,483	4,000
Purchase of investment		-	(500)
<b>Net cash outflow from capital expenditure and financial investment</b>		(356,010)	(529,810)
<b>Financing</b>			
Repayment of borrowings		(99,150)	(100,750)
Capital element of finance lease rentals		(149,779)	(176,453)
<b>Net cash outflow from financing</b>		(248,929)	(277,203)
<b>Decrease in cash</b>	18	(26,679)	(120,002)

The accompanying accounting policies and notes form an integral part of these financial statements.

# ALEMBIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The analysis of turnover and profit before taxation is attributable to the company's principal activity. The analysis by geographical market has not been given.

The profit on ordinary activities is stated after:

	2001 £	2000 £
Auditors' remuneration	26,039	29,008
Depreciation and amortisation:		
Tangible fixed assets, owned	348,952	296,727
Tangible fixed assets, held under finance leases and hire purchase contracts	91,277	77,938
Government grants	(10,000)	(10,000)

### 2 INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
On bank loans and overdrafts	86,421	58,179
Finance charges in respect of finance leases	31,046	38,006
Other interest payable and similar charges	10,463	15,108
	<u>127,930</u>	<u>111,293</u>

### 3 INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2001 £	2000 £
From shares in joint venture	<u>80,000</u>	<u>-</u>

### 4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2001 £	2000 £
Wages and salaries	2,520,022	2,195,053
Social security costs	213,191	177,868
Other pension costs	11,015	13,929
	<u>2,744,228</u>	<u>2,386,850</u>

# ALEMBIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

The average number of employees of the company during the year were as follows:

	2001 Number	2000 Number
Production	100	89
Selling and distribution	4	3
Administration and management	27	23
Technical and development	15	14
	<u>146</u>	<u>129</u>

Remuneration in respect of directors was as follows:

	2001 £	2000 £
Fees	187,775	162,346
Pension contributions to money purchase pension schemes	11,015	13,929
	<u>198,790</u>	<u>176,275</u>

During the year one director (2000: two) participated in money purchase pension schemes.

A fee of £5,000 (2000: £5,000) was paid to Durrington Corporation Limited for the services of J M StJ Harris as a director of the company.

## 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2001 £	2000 £
UK Corporation tax at 20% (2000: 20 - 33.5%)	-	70,000
Deferred taxation	6,000	19,000
	<u>6,000</u>	<u>89,000</u>
Adjustments in respect of prior periods:		
Corporation tax	(2,682)	17,413
	<u>3,318</u>	<u>106,413</u>

# ALEMBIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

### 6 TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 April 2000	2,462,091	110,091	844,519	359,687	3,776,388
Additions	439,197	46,638	158,710	54,346	698,891
Disposals	-	(39,950)	-	-	(39,950)
At 31 March 2001	2,901,288	116,779	1,003,229	414,033	4,435,329
Depreciation					
At 1 April 2000	1,098,930	46,765	308,612	190,395	1,644,702
Provided in the year	253,430	27,307	100,101	59,391	440,229
Eliminated on disposals	-	(27,927)	-	-	(27,927)
At 31 March 2001	1,352,360	46,145	408,713	249,786	2,057,004
Net book amount at 31 March 2001	<u>1,548,928</u>	<u>70,634</u>	<u>594,516</u>	<u>164,247</u>	<u>2,378,325</u>
Net book amount at 31 March 2000	<u>1,363,161</u>	<u>63,326</u>	<u>535,907</u>	<u>169,292</u>	<u>2,131,686</u>

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Plant and machinery £	Motor vehicles £
Net book amount at 31 March 2001	<u>696,249</u>	<u>23,135</u>
Net book amount at 31 March 2000	<u>444,537</u>	<u>48,391</u>
Depreciation provided during year	<u>77,612</u>	<u>13,665</u>

**ALEMBIC PRODUCTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2001

**7 FIXED ASSETS INVESTMENTS**

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2000 and at 31 March 2001	151,300	151,300
Net book amount at 31 March 2001	<u>151,300</u>	<u>151,300</u>
Net book amount at 31 March 2000	<u>151,300</u>	<u>151,300</u>

At 31 March 2001 the company held more than 20% of the allotted share capital of the following undertakings:

	Country of incorporation	Class of share capital held	Proportion held	Nature of business	Capital and reserves £	Profit for the financial year £
<b>Subsidiaries</b>						
Storeylake Limited	England	Ordinary	100%	Dormant	150,000	Nil
Alembic Foods Limited	England	Ordinary	100%	Dormant	800	Nil
<b>Joint venture</b>						
Virani's Indian Kitchen Limited	England	Ordinary	50%	Sale of ethnic food dressings	47,011	103,010

**8 STOCKS AND WORK IN PROGRESS**

	2001 £	2000 £
Raw materials	497,399	586,594
Miscellaneous stocks	25,300	19,522
Finished goods and goods for resale	145,280	301,548
	<u>667,979</u>	<u>907,664</u>

**ALEMBIC PRODUCTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2001

**9 DEBTORS**

	2001 £	2000 £
Trade debtors	1,966,144	2,238,335
Amounts owed by joint ventures	16,186	-
Other debtors	146,736	372,240
Prepayments and accrued income	82,681	110,703
	<u>2,211,747</u>	<u>2,721,278</u>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2001 £	2000 £
Bank loan and overdraft	800,333	776,051
Trade creditors	1,526,697	2,075,637
Corporation tax	3,925	87,889
Social security and other taxes	67,209	64,836
Other creditors	83,622	234,924
Accruals and deferred income	148,877	87,797
Deferred income: government grants	10,000	10,000
Amounts due under finance leases	210,986	118,794
	<u>2,851,649</u>	<u>3,455,928</u>

The bank overdraft and bank loan are secured by a fixed and floating charge over all of the company's assets.

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2001 £	2000 £
Bank loan	25,100	124,250
Amounts owed to group undertakings	150,000	150,000
Deferred income: government grants	15,167	25,167
Amounts due under finance leases	277,940	188,513
	<u>468,207</u>	<u>487,930</u>

Bank loan

The bank loan are secured by a fixed and floating charge over the company's assets. The bank loan is repayable in equal quarterly instalments by June 2002.



**ALEMBIC PRODUCTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2001

Borrowings are repayable as follows:	2001 £	2000 £
Within one year		
Bank and other borrowings	800,333	776,051
Finance leases	210,986	118,794
After one and within two years		
Bank and other borrowings	25,100	100,000
Finance leases	174,653	85,274
After two and within five years		
Bank and other borrowings	-	24,250
Finance leases	103,287	103,239
	<u>1,314,359</u>	<u>1,207,608</u>

**12 PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred taxation £	Total £
At 1 April 2000	162,000	162,000
Provided during the year	6,000	6,000
At 31 March 2001	<u>168,000</u>	<u>168,000</u>

**13 DEFERRED TAXATION**

Deferred taxation provided in the financial statements is in respect of accelerated capital allowances.

**14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2001 £	2000 £
Profit for the financial year	113,028	267,301
Shareholders' funds at 1 April 2000	<u>1,811,232</u>	<u>1,543,931</u>
Shareholders' funds at 31 March 2001	<u>1,924,260</u>	<u>1,811,232</u>

# ALEMBIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

### 15 SHARE CAPITAL

	2001 £	2000 £
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

### 16 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Profit and loss account £
At 1 April 2000	42,880	1,757,895
Retained profit for the year	-	113,028
At 31 March 2001	42,880	1,870,923

### 17 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit	163,555	483,329
Depreciation	440,229	374,665
Loss on sale of tangible fixed assets	540	1,914
Decrease in stocks	239,685	(168,325)
Decrease in debtors	509,531	(386,670)
Decrease in creditors	(646,789)	510,967
Net cash inflow from continuing operating activities	706,751	815,880

**ALEMBIC PRODUCTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2001

**18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2001 £	2000 £
Decrease in cash in the year	(26,679)	(120,002)
Cash outflow from financing in the year	99,150	100,750
Cash outflow from finance leases in the year	149,779	176,453
Change in net debt resulting from cashflows	222,250	157,201
Inception of finance leases	(331,398)	(62,120)
Movement in net debt in the year	(109,148)	95,081
Net debt at 1 April 2000	(1,202,446)	(1,297,527)
Net debt at 31 March 2001	(1,311,594)	(1,202,446)

**19 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 April 2000 £	Cash flow £	Non - cash items £	At 31 March 2001 £
Cash in hand and at bank	5,162	(2,397)	-	2,765
Overdraft	(676,051)	(24,282)	-	(700,333)
Debt	(224,250)	99,150	-	(125,100)
Finance leases	(307,307)	149,779	(331,398)	(488,926)
	(1,202,446)	222,250	(331,398)	(1,311,594)

**20 CAPITAL COMMITMENTS**

The company had capital commitments at 31 March 2001 of £420,295 (2000: £236,835) relating to items authorised and contracted for at 31 March 2001.

**21 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 March 2001 or 31 March 2000.

# ALEMBIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

### 22 LEASING COMMITMENTS

The company has entered into a commitment in respect of a finance lease commencing after the balance sheet date amounting to £270,000.

Operating lease payments amounting to £264,845 (2000: £214,052) are due within one year. The leases to which these amounts relate expire as follows:

	2001		2000	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	-	11,266	-	-
Between one and five years	-	55,259	-	76,882
In five years or more	198,320	-	137,170	-
	<u>198,320</u>	<u>66,525</u>	<u>137,170</u>	<u>76,882</u>

### 23 RELATED PARTY TRANSACTIONS

Name of related party	Connection of related party	Amount of transaction	Amount outstanding at 31 March 2001	Nature of transaction
Storeylake Limited	Subsidiary	-	£150,000	Loan creditor
Roil Foods Limited	Director	£196,226	£13,733	Sale of sugar/cocoa
Storeylake Limited Director's Pension Scheme	Pension scheme	£163,500	£Nil	Loan creditor
Virani's Indian Kitchen Limited	Joint venture	£338,703	£16,186	Sale of goods

J M StJ Harris and A Simmons, directors of Alembic Products Limited are directors and shareholders in Roil Foods Limited. A Simmons and A V Brown are directors of Virani's Indian Kitchen Limited.