

**ANGLO AUSTRALIAN RICE  
LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**for the year ended  
31st December 2003**

**Company Registration Number 1979286**



**MITCHELL CHARLESWORTH**  
Chartered Accountants  
Liverpool

# **ANGLO AUSTRALIAN RICE LIMITED**

## **Financial statements**

**Year ended 31st December 2003**

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# **ANGLO AUSTRALIAN RICE LIMITED**

## **Officers and professional advisers**

### **The board of directors**

A. Hernandez Callejas  
G. Helou  
G.F. Lawson  
R. Lopez Relimpio

### **Company secretary**

R. Bate

### **Registered office**

2 Upper Pownall Street  
Wapping  
Liverpool  
L1 8EG

### **Auditor**

Mitchell Charlesworth  
Chartered Accountants  
Registered Auditor  
Chavasse Court  
24 Lord Street  
Liverpool  
L2 1TA

### **Bankers**

Barclays Bank Plc  
Liverpool City Business Centre  
4 Water Street  
Liverpool  
L69 2DU

# ANGLO AUSTRALIAN RICE LIMITED

## The directors' report

### Year ended 31st December 2003

The directors present their report and the financial statements of the company for the year ended 31st December 2003.

#### Principal activities and business review

The principal activity of the company during the year was the sale of rice and related products.

The directors' opinion is that the company's balance sheet shows a satisfactory position.

#### Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

#### The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2003	At 1 January 2003 or later date of appointment
A. Hernandez Callejas	-	-
G. Helou	-	-
G.F. Lawson	-	-
R. Lopez Relimpio	-	-

R. Bate was appointed as a director on 31st March 2003.

R. Lopez Relimpio was appointed as a director on 19th November 2003.

J. Howe resigned as a director on 31st March 2003.

R. Bate resigned as a director on 20th November 2003.

#### Retirement of directors

In accordance with the Articles of Association, A. Hernandez Callejas will retire from the board and, being eligible, will stand for re-appointment.

# ANGLO AUSTRALIAN RICE LIMITED

## The directors' report *(continued)*

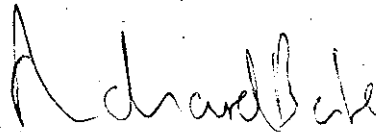
**Year ended 31st December 2003**

### Auditors

A resolution to re-appoint Mitchell Charlesworth as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
2 Upper Pownall Street  
Wapping  
Liverpool  
L1 8EG

Signed by order of the directors



R. Bate  
Company Secretary

Approved by the directors on 22nd March 2004

# **ANGLO AUSTRALIAN RICE LIMITED**

## **Statement of directors' responsibilities**

**Year ended 31st December 2003**

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 10, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; 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 Act 1985. The directors 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.

# Mitchell Charlesworth

Chartered Accountants  
Chavasse Court 24 Lord Street Liverpool

## ANGLO AUSTRALIAN RICE LIMITED

### Independent auditors' report to the shareholders

Year ended 31st December 2003

We have audited the financial statements on pages 7 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### Basis of audit 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.

# Mitchell Charlesworth

Chartered Accountants  
Chavasse Court 24 Lord Street Liverpool

## ANGLO AUSTRALIAN RICE LIMITED

Independent auditors' report to the shareholders *(continued)*

Year ended 31st December 2003

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



MITCHELL CHARLESWORTH  
Chartered Accountants  
Registered Auditor

Chavasse Court  
24 Lord Street  
Liverpool  
L2 1TA

23rd March 2004



# ANGLO AUSTRALIAN RICE LIMITED

## Profit and loss account

Year ended 31st December 2003

	Note	2003 £	2002 £
Turnover	2	9,551,725	9,258,901
Cost of sales		9,447,136	8,963,126
Gross profit		104,589	295,775
Administrative expenses		29,653	38,416
Operating profit	3	74,936	257,359
Interest receivable	5	8	75
Interest payable	6	(37,593)	(56,707)
Profit on ordinary activities before taxation		37,351	200,727
Tax on profit on ordinary activities	7	6,496	38,181
Retained profit for the financial year		30,855	162,546

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 14 form part of these financial statements.

# ANGLO AUSTRALIAN RICE LIMITED

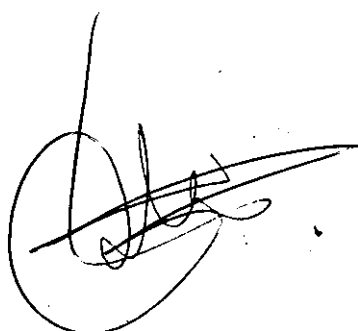
## Balance sheet

31st December 2003

	Note	2003 £	£	2002 £	£
<b>Current assets</b>					
Stocks	8	1,806,475		1,247,602	
Debtors	9	1,386,787		952,183	
Cash at bank		50		3	
		<u>3,193,312</u>		<u>2,199,788</u>	
<b>Creditors: Amounts falling due within one year</b>	10	<u>2,347,263</u>		<u>1,384,594</u>	
<b>Net current assets</b>			<u>846,049</u>		<u>815,194</u>
<b>Total assets less current liabilities</b>			<u>846,049</u>		<u>815,194</u>
<b>Capital and reserves</b>					
Called-up equity share capital	13		1,000		1,000
Profit and loss account	14		<u>845,049</u>		<u>814,194</u>
<b>Shareholders' funds</b>	15		<u>846,049</u>		<u>815,194</u>

These financial statements were approved by the directors on the 22nd March 2004 and are signed on their behalf by:

R. Lopez Relimpio



The notes on pages 10 to 14 form part of these financial statements.

# ANGLO AUSTRALIAN RICE LIMITED

## Cash flow statement

Year ended 31st December 2003

	2003	2002
	£	£
Net cash (outflow)/inflow from operating activities	(295,965)	846,994
Returns on investments and servicing of finance		
Interest received	8	75
Interest paid	(28,619)	(57,214)
Net cash outflow from returns on investments and servicing of finance	(28,611)	(57,139)
Taxation	(38,633)	(34,548)
(Decrease)/increase in cash	(363,209)	755,307

### Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2003	2002
	£	£
Operating profit	74,936	257,359
(Increase)/decrease in stocks	(558,873)	1,206,882
(Increase)/decrease in debtors	(434,604)	134,673
Increase/(decrease) in creditors	622,576	(751,920)
Net cash (outflow)/inflow from operating activities	(295,965)	846,994

### Reconciliation of net cash flow to movement in net debt

	2003	2002
	£	£
(Decrease)/increase in cash in the period	(363,209)	755,307
Movement in net debt in the period	(363,209)	755,307
Net debt at 1 January 2003	(785,057)	(1,540,364)
Net debt at 31 December 2003	(1,148,266)	(785,057)

### Analysis of changes in net debt

	At 1 Jan 2003	Cash flows	At 31 Dec 2003
	£	£	£
Net cash:			
Cash in hand and at bank	3	47	50
Overdrafts	(785,060)	(363,256)	(1,148,316)
	(785,057)	(363,209)	(1,148,266)
Net debt	(785,057)	(363,209)	(1,148,266)

# ANGLO AUSTRALIAN RICE LIMITED

## Notes to the financial statements

Year ended 31st December 2003

### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention.

#### Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### Fixed assets

All fixed assets are initially recorded at cost.

#### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### 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 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 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.

#### Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the Balance Sheet date. Translation in foreign currencies are recorded at the date of transaction. All differences are taken to the Profit and Loss account.

### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2003	2002
	£	£
United Kingdom	9,472,520	9,256,886
Overseas	79,205	2,015
	<u>9,551,725</u>	<u>9,258,901</u>

# ANGLO AUSTRALIAN RICE LIMITED

## Notes to the financial statements

Year ended 31st December 2003

### 3. Operating profit

Operating profit is stated after charging:

	2003 £	2002 £
Directors' emoluments	-	-
Auditors' remuneration - as auditors	<u>3,500</u>	<u>4,130</u>

### 4. Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the year.

The company has no employees engaged under contracts of service. Wages, salaries and pension costs of employees of Joseph Heap & Sons Limited incurred in carrying out the activities of this company are recharged in these financial statements.

### 5. Interest receivable

	2003 £	2002 £
Bank interest receivable	-	75
Other interest	<u>8</u>	<u>-</u>
	<u>8</u>	<u>75</u>

### 6. Interest payable

	2003 £	2002 £
Interest payable on bank borrowing	<u>37,593</u>	<u>56,707</u>

### 7. Tax on profit on ordinary activities

#### (a) Analysis of charge in the year

	2003 £	2002 £
Current tax:		
UK Corporation tax based on the results for the year at 19% (2002 - 19%)	6,496	38,633
Over/under provision in prior year	-	(452)
Total current tax	<u>6,496</u>	<u>38,181</u>

# ANGLO AUSTRALIAN RICE LIMITED

## Notes to the financial statements

Year ended 31st December 2003

### 7. Tax on profit on ordinary activities *(continued)*

#### (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 19% (2002 - 19%).

	2003	2002
	£	£
Profit on ordinary activities before taxation	37,351	200,727
Profit/(loss) on ordinary activities by rate of tax	7,097	38,138
Adjustment to tax rate	-	495
Over/under provision in prior year	-	(452)
Starting rate relief	(601)	-
Total current tax (note 7(a))	6,496	38,181

### 8. Stocks

	2003	2002
	£	£
Stock	1,806,475	1,247,602

### 9. Debtors

	2003	2002
	£	£
Trade debtors	1,278,311	863,669
Other debtors	95,260	81,653
Prepayments and accrued income	13,216	6,861
	1,386,787	952,183

### 10. Creditors: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	1,148,316	785,060
Trade creditors	142,453	101,534
Amounts owed to group undertakings	975,737	417,071
Corporation tax	6,496	38,633
Accruals and deferred income	74,261	42,296
	2,347,263	1,384,594

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2003	2002
	£	£
Bank loans and overdrafts	1,148,287	785,057

# ANGLO AUSTRALIAN RICE LIMITED

## Notes to the financial statements

Year ended 31st December 2003

### 11. Contingencies

The company has given bonds of £150,000 to the Intervention Board for Agriculture Produce and £30,000 to Customs and Excise.

### 12. Related party transactions

The company is jointly owned by Joseph Heap & Sons Limited, a company incorporated in England and Rice Growers Co-operative Limited, a company incorporated in Australia.

During the year the company purchased goods from Joseph Heap & Sons Limited totalling £1,741,439 (2002 £1,150,058) and incurred milling and rental charges of £1,603,624 (2002 £1,647,254). The creditor outstanding at the year end was £388,599 (2002 £133,398).

The company purchased goods totalling £730,084 (2002 £519,148) from Rice Growers Co-operative Limited.

Purchases totalling £4,543,442 (2002 £3,366,170) were made from Ebro Puleva S.A. (formerly Arrocerias Herba S.A.) the parent undertaking of Joseph Heap & Sons Limited. The creditor outstanding at the year end was £537,283 (2002 283,673).

The company also purchased goods totalling £49,855 (2002 £Nil) from Mundi Riso S.R.L., a fellow subsidiary of Ebro Puleva S.A. The creditor outstanding at the year end was £49,855 (2002 £Nil).

### 13. Share capital

#### Authorised share capital:

	2003	2002
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

#### Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 14. Profit and loss account

	2003	2002
	£	£
Balance brought forward	814,194	651,648
Retained profit for the financial year	<u>30,855</u>	<u>162,546</u>
Balance carried forward	<u>845,049</u>	<u>814,194</u>

# ANGLO AUSTRALIAN RICE LIMITED

## Notes to the financial statements

Year ended 31st December 2003

### 15. Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	30,855	162,546
Opening shareholders' equity funds	815,194	652,648
Closing shareholders' equity funds	<u>846,049</u>	<u>815,194</u>

### 16. Guarantees

The company is party to cross guarantees given by the shareholders to its bankers.



# ANGLO AUSTRALIAN RICE LIMITED

## Detailed profit and loss account

Year ended 31st December 2003

	2003		2002
	£	£	£
Turnover	9,551,725		9,258,901
Cost of sales			
Opening stock	1,247,602		2,454,484
Purchases	10,006,009		7,756,244
	<u>11,253,611</u>		<u>10,210,728</u>
Closing stock	(1,806,475)		(1,247,602)
	<u>9,447,136</u>		<u>8,963,126</u>
Gross profit	104,589		295,775
Overheads			
Insurance	11,241		3,430
Printing, stationery and postage	726		836
Trade subscriptions	—		696
Pallets	11,116		15,372
Auditors remuneration	3,500		4,130
Bad debts written off	—		10,863
Bank charges	<u>3,070</u>		<u>3,089</u>
	29,653		38,416
Operating profit	74,936		257,359
Interest receivable	8		75
	<u>74,944</u>		<u>257,434</u>
Bank interest payable	(37,593)		(56,707)
Profit on ordinary activities	<u>37,351</u>		<u>200,727</u>

# ANGLO AUSTRALIAN RICE LIMITED

## Notes to the detailed profit and loss account

Year ended 31st December 2003

	2003 £	2002 £
<b>Interest receivable</b>		
Bank interest receivable	—	75
Other interest	8	—
	<u>8</u>	<u>75</u>
<b>Interest payable</b>		
Bank interest payable	<u>37,593</u>	<u>56,707</u>