

2301391

Doves Farm Foods Limited

Report and Abbreviated Financial Statements

Year Ended

30 June 2001



Doves Farm Foods Limited

Annual report and financial statements for the year ended 30 June 2001

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Directors

M J Marriage
C E Marriage

Secretary and registered office

C E Marriage, Salisbury Road, Hungerford, Berkshire RG17 0RF

Company number

2301391

Auditors

BDO Stoy Hayward, Park House, 102-108 Above Bar, Southampton, SO14 7NH

Doves Farm Foods Limited

Report of the directors for the year ended 30 June 2001

The directors present their report together with the audited financial statements for the year ended 30 June 2001.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors recommend the payment of a final dividend of £10,000 (2000 - £20,000).

Principal activities, review of business and future developments

The principal activity of the company continued to be that of millers and marketers of flour and foods.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	2001	2000
M J Marriage	7,600	7,600
C E Marriage	7,600	7,600

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 year. 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; 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. 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.

Doves Farm Foods Limited

Report of the directors for the year ended 30 June 2001 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

C E Marriage

Secretary

24 NOVEMBER 2001

Doves Farm Foods Limited

Report of the independent auditors

Independent auditors' report to Doves Farm Foods Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 5 to 16 together with the financial statements of the company for the year ended 30 June 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated financial statements on pages 5 to 16 are properly prepared in accordance with that provision.

BDO STOY HAYWARD

Registered Auditors

Southampton

27 November 2001

Doves Farm Foods Limited**Profit and loss account for the year ended 30 June 2001**

	Note	2001 £	2000 £
Gross profit		828,278	958,988
Distribution costs		284,667	279,727
Administrative expenses		345,585	345,291
		<hr/>	<hr/>
Operating profit	2	198,026	333,970
Other interest receivable and similar income	5	5,587	10,652
Interest payable and similar charges	6	(9,923)	(7,688)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		193,690	336,934
Taxation on profit on ordinary activities	7	35,223	76,563
		<hr/>	<hr/>
Profit on ordinary activities after taxation for the year		158,467	260,371
Dividends	8	10,000	20,000
		<hr/>	<hr/>
Retained profit for the financial year		148,467	240,371
Retained profit brought forward		1,270,906	1,030,535
		<hr/>	<hr/>
Retained profit carried forward		1,419,373	1,270,906
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year.

The notes on pages 8 to 16 form part of these financial statements.

Doves Farm Foods Limited

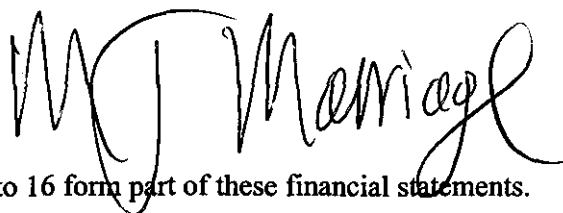
Balance sheet at 30 June 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets	9		1,095,468		950,304
Current assets					
Stocks	10	364,898		340,226	
Debtors	11	890,862		883,801	
Cash at bank and in hand		130,031		20	
		<u>1,385,791</u>		<u>1,224,047</u>	
Creditors: amounts falling due within one year	12	701,654		549,442	
Net current assets			<u>684,137</u>		<u>674,605</u>
Total assets less current liabilities			<u>1,779,605</u>		<u>1,624,909</u>
Creditors: amounts falling due after more than one year	13	230,000		230,000	
Provision for liabilities and charges	14	110,232		104,003	
		<u>340,232</u>		<u>334,003</u>	
			<u>1,439,373</u>		<u>1,290,906</u>
Capital and reserves					
Called up share capital	15	20,000		20,000	
Profit and loss account		1,419,373		1,270,906	
Equity shareholders' funds			<u>1,439,373</u>		<u>1,290,906</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the board on 24/11/01

M J Marriage
Director



The notes on pages 8 to 16 form part of these financial statements.

Doves Farm Foods Limited

Cash flow statement for the year ended 30 June 2001

	Note	2001 £	2001 £	2000 £	2000 £
Net cash inflow from operating activities	18		530,879		219,824
Returns on investments and servicing of finance					
Interest received		5,587		11,149	
Interest paid: other		(9,152)		(1,309)	
			(3,565)		9,840
Taxation					
Corporation tax paid		(48,709)		(113,616)	
			(48,709)		(113,616)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(303,983)		(403,543)	
Receipts from sale of tangible fixed assets		5,500		5,926	
			(298,483)		(397,617)
Increase/(decrease) in cash	19		180,122		(281,569)

The notes on pages 8 to 16 form part of these financial statements.

Doves Farm Foods Limited

Notes forming part of the financial statements for the year ended 30 June 2001

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:

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except freehold land and certain buildings, over their expected useful lives. It is calculated at the following rates:

Leasehold land and buildings	- 4 % straight line
Plant and machinery etc	- 10 - 20 % reducing balance
Motor vehicles	- 25 % reducing balance
Other fixed assets	- 3 - 5 years straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

2 Operating profit

This is arrived at after charging:

	2001 £	2000 £
Depreciation of tangible fixed assets	156,449	159,982
Auditors' remuneration - audit services	5,775	5,500
	<hr/>	<hr/>

Doves Farm Foods Limited**Notes forming part of the financial statements for the year ended 30 June 2001 (Continued)****3 Employees**

Staff costs (including directors) consist of:

	2001 £	2000 £
Wages and salaries	521,934	445,421
Social security costs	46,239	37,450
	<u>568,173</u>	<u>482,871</u>

The average number of employees (including directors) during the year was 34 (2000 - 32).

4 Directors' remuneration

	2001 £	2000 £
Directors' emoluments	48,253	44,533
	<u>48,253</u>	<u>44,533</u>

5 Other interest receivable and similar income

	2001 £	2000 £
Bank deposits	5,587	10,652
	<u>5,587</u>	<u>10,652</u>

6 Interest payable and similar charges

	2001 £	2000 £
Bank interest payable	711	1,266
Loan interest	9,168	6,379
Other interest	44	43
	<u>9,923</u>	<u>7,688</u>

Doves Farm Foods Limited

Notes forming part of the financial statements for the year ended 30 June 2001 (Continued)

7 Taxation on profit on ordinary activities

	2001 £	2000 £
<i>UK Corporation tax</i>		
<i>Current year</i>		
Current tax on income for the year	26,757	46,472
Transfer to deferred taxation account	6,229	33,573
	<hr/>	<hr/>
	32,986	80,045
<i>Prior years</i>		
UK Corporation tax	2,237	(3,482)
	<hr/>	<hr/>
	35,223	76,563
	<hr/>	<hr/>

8 Dividends

	2001 £	2000 £
<i>Equity shares</i>		
Ordinary shares		
Final proposed of 50p (2000 - £1) per share	10,000	20,000
	<hr/>	<hr/>

Doves Farm Foods Limited

Notes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)

9 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Other fixed assets £	Total £
<i>Cost</i>					
At 1 July 2000	62,063	1,362,524	70,300	17,882	1,512,769
Additions	168,605	130,462	17,800	6,126	322,993
Disposals	-	(59,880)	(16,800)	-	(76,680)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2001	230,668	1,433,106	71,300	24,008	1,759,082
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 July 2000	24,689	490,532	34,890	12,354	562,465
Provided for the year	9,227	128,000	11,973	7,249	156,449
Disposals	-	(43,816)	(11,484)	-	(55,300)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2001	33,916	574,716	35,379	19,603	663,614
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 30 June 2001	196,752	858,390	35,921	4,405	1,095,468
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2000	37,374	871,992	35,410	5,528	950,304
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

10 Stocks

	2001 £	2000 £
Raw materials	254,631	251,076
Finished goods and goods for resale	110,267	89,150
	<hr/>	<hr/>
	364,898	340,226
	<hr/>	<hr/>

Doves Farm Foods Limited**Notes forming part of the financial statements for the year ended 30 June 2001 (Continued)****11 Debtors**

	2001 £	2000 £
Trade debtors	805,453	828,948
Other debtors	73,121	44,936
Prepayments and accrued income	12,288	9,917
	<hr/>	<hr/>
	890,862	883,801
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

12 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank overdraft	-	50,111
Trade creditors	458,494	265,932
Taxation and social security	16,024	11,084
Proposed dividend	10,000	20,000
Corporation tax	26,757	46,472
Directors' loans	32,918	21,616
Other creditors	43,169	35,720
Accruals and deferred income	114,292	98,507
	<hr/>	<hr/>
	701,654	549,442
	<hr/>	<hr/>

Doves Farm Foods Limited

Notes forming part of the financial statements for the year ended 30 June 2001 (Continued)

13 Creditors: amounts falling due after more than one year

	2001	2000
	£	£
Directors' loans	160,000	160,000
Other loan	70,000	70,000
	<hr/>	<hr/>
	230,000	230,000
	<hr/>	<hr/>

Maturity of debt:

	Other debt	
	2001	2000
	£	£
In one year or less, or on demand	-	50,111
In more than two years but not more than five years	230,000	-
In more than five years	-	230,000
	<hr/>	<hr/>
	230,000	280,111
	<hr/>	<hr/>

Included in creditors due after more than one year are the following amounts repayable in more than five years:

	2001	2000
	£	£
Loans	-	230,000
	<hr/>	<hr/>

The directors have made two long term loans to the company. The directors consider that these loans are repayable within two to five years.

The first loan for £160,000 made by the directors, is repayable on demand. No interest is charged on this loan.

The second loan for £70,000 is repayable on demand. The loan is due to the Paul Marriage Settlement of 15 April 1983, a trust of which the directors are trustees. Interest is payable to the trust at 4% over bank base rate.

Even though these loans are repayable on demand, the directors do not consider that a request for repayment will be made within the next year.

Doves Farm Foods Limited

Notes forming part of the financial statements for the year ended 30 June 2001 (Continued)

14 Provision for liabilities and charges

	Deferred taxation
	£
At 30 June 2000	104,003
Charged to profit and loss account	6,229
	<hr/>
At 30 June 2001	110,232
	<hr/>
Deferred taxation	
	Provided
	2000
	£
The amount of deferred tax provided for is as follows:	2001
	£
Accelerated capital allowances	110,232
	<hr/>

There is no unprovided deferred tax.

15 Share capital

	2001	Authorised	Allotted, called up	and fully paid
	£	2000	2001	2000
	£	£	£	£
<i>Equity share capital</i>				
20,000 Ordinary shares of £1 each	20,000	20,000	20,000	20,000
	<hr/>	<hr/>	<hr/>	<hr/>

16 Contingent liabilities

The company has contingent liabilities of £52,000 in respect of performance bonds with H.M. Customs and Excise and the Intervention Board.

Doves Farm Foods Limited

Notes forming part of the financial statements for the year ended 30 June 2001 (*Continued*)

17 Related party disclosures

Controlling parties

The company is controlled by Mr and Mrs M J Marriage, the directors of the company, who are also considered to be the company's ultimate controlling party.

Related party transactions and balances

During the year, the company entered into transactions with Mr M J Marriage - trading as Doves Farm, for the purchase of organic grain to the value of £Nil (2000 : £22,336). As at 30 June 2001, £28 was owed by Mr M J Marriage to the company (2000 : £28).

During the year the company occupied land and buildings owned by the directors for which no rent was paid (2000 : £NIL).

Included within "Creditors : amounts falling due after more than one year" is £70,000 due to the Paul Marriage Settlement of 15 April 1983, a trust of which Mr and Mrs MJ Marriage are the trustees.

During the year the directors received royalty payments from the company for the use of trademarks owned by the directors. The total royalties payable were £23,276 (2000 : £21,086).

18 Reconciliation of operating profit before exceptional items to net cash inflow/(outflow) from operating activities

	2001 £	2000 £
Operating profit	198,026	333,970
Depreciation of tangible fixed assets	156,449	159,982
Loss on sale of tangible fixed assets	12,630	8,622
Increase in stocks	(24,672)	(26,047)
(Increase)/decrease in debtors	(7,061)	41,430
Increase/(decrease) in creditors	195,507	(298,133)
	<hr/>	<hr/>
Net cash inflow from operating activities	530,879	219,824
	<hr/>	<hr/>

Doves Farm Foods Limited

Notes forming part of the financial statements for the year ended 30 June 2001 (Continued)

19 Reconciliation of net cash flow to movement in net debt

	2001 £	2000 £
Increase/(decrease) in cash	180,122	(281,569)
	<hr/>	<hr/>
Movement in net debt	180,122	(281,569)
Opening net (debt)/funds	(280,091)	1,478
	<hr/>	<hr/>
Closing net debt	(99,969)	(280,091)
	<hr/>	<hr/>

20 Analysis of net debt

	At 30 June 2000 £	Cash flow £	At 30 June 2001 £
Cash at bank and in hand	20	130,011	130,031
Bank overdrafts	(50,111)	50,111	-
		<hr/>	
		180,122	
		<hr/>	
Debt due after one year	(230,000)	-	(230,000)
	<hr/>	<hr/>	<hr/>
Total	(280,091)	180,122	(99,969)
	<hr/>	<hr/>	<hr/>