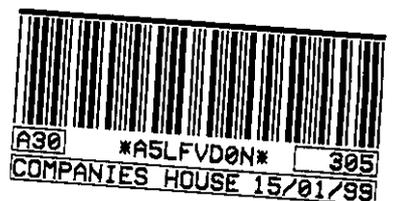


Company Registration No. 02500300 (England and Wales)

**EDWARD HAMER INTERNATIONAL LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 1998**



# EDWARD HAMER INTERNATIONAL LIMITED

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# **EDWARD HAMER INTERNATIONAL LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998**

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The directors present their report and financial statements for the year ended 31 March 1998.

### **Principal activities and review of the business**

The principal activity of the company continued to be that of processing and wholesaling of meat for both the UK market and export within the European Union.

During the year the UK sales were maintained at 1997 levels. Exports to the EU, continuing to suffer from difficult trading conditions due to the strength of sterling, fell by 40%. Despite an overall reduction of 24% in sales volumes, the fall in gross profit was held to 7% by improving margins by concentrating on quality and not compromising these standards to achieve volume. The reduction in exports and increase in the company's own vehicle fleet late in the previous accounting year has resulted in a significant decrease in distribution costs.

### **Results and dividends**

The results for the year are set out on page 4.

No dividend is recommended.

### **Post balance sheet events**

On 9 April 1998 the company increased its authorised and issued share capital to £1,493 and issued 493 ordinary shares to the applicant at a premium of £1,103.20 per share, the total subscription proceeds being £500,000.

On 4 August 1998 the company purchased the freehold of the premises it had formerly leased at an annual rent of £60,000 for the sum of £1,000,000, financed by an issue of ordinary shares at a premium and shareholders loans.

### **Future developments**

Although current and proposed cost increases for the meat hygiene service are going to put increasing pressure on the industry, the directors are reasonably confident that the company has a sufficiently sound base to take advantage of any improvement in the profitability of the industry in the forthcoming year.

### **Directors**

The following director has held office throughout the year:

E M Hamer

The following directors were appointed on 9 April 1997:

D R Brady

R L Randall

K R Morgan

Mrs C Hamer resigned on 9 April 1997.

# EDWARD HAMER INTERNATIONAL LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998

---

### Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	31 March 1998	Ordinary of £1 each 1 April 1997
E M Hamer	999	999
C Hamer	1	1

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that King, Morter, Proud & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

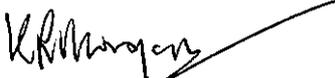
### Directors' responsibilities

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 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 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.

By order of the board



K R Morgan

**Secretary**

11 August 1998

# EDWARD HAMER INTERNATIONAL LIMITED

## AUDITORS' REPORT TO THE DIRECTORS OF EDWARD HAMER INTERNATIONAL LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of the company for the year ended 31 March 1998 prepared under section 226 of the Companies Act 1985.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

### Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts 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 financial statements.

### Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.



King, Morder, Proud & Co

Chartered Accountants  
Registered Auditor

12 August 1998

Kings Arms Vaults, Watton  
Brecon  
Powys  
LD3 7EF

# EDWARD HAMER INTERNATIONAL LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1998

	Notes	1998 £	1997 £
<b>Gross profit</b>		1,579,933	1,685,549
Distribution costs		(824,119)	(981,491)
Administrative expenses		(592,090)	(567,221)
<b>Operating profit</b>	<b>2</b>	163,724	136,837
Other interest receivable and similar income	<b>3</b>	10,651	8,301
Amounts written off investments	<b>4</b>	(20,000)	-
Interest payable and similar charges	<b>5</b>	(107,686)	(99,133)
<b>Profit on ordinary activities before taxation</b>		46,689	46,005
Tax on profit on ordinary activities	<b>6</b>	(9,393)	(1,138)
<b>Profit on ordinary activities after taxation</b>	<b>17</b>	37,296	44,867

# EDWARD HAMER INTERNATIONAL LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 MARCH 1998

	Notes	1998 £	£	1997 £	£
<b>Fixed assets</b>					
Tangible assets	7		654,485		723,638
<b>Current assets</b>					
Stocks	9	10,578		54,734	
Debtors	10	800,723		1,052,094	
Investments	11	30,000		-	
Cash at bank and in hand		773,975		703,816	
		<u>1,615,276</u>		<u>1,810,644</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,317,876)</u>		<u>(1,487,524)</u>	
<b>Net current assets</b>			<u>297,400</u>		<u>323,120</u>
<b>Total assets less current liabilities</b>			<u>951,885</u>		<u>1,046,758</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>(524,596)</u>		<u>(656,766)</u>
			<u>427,289</u>		<u>389,992</u>
<b>Capital and reserves</b>					
Called up share capital	16		1,000		1,000
Profit and loss account	17		426,289		388,992
<b>Shareholders' funds</b>	18		<u>427,289</u>		<u>389,992</u>

These abbreviated accounts 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 11 August 1998



E M Hamer  
Director

# EDWARD HAMER INTERNATIONAL LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1998

	1998 £	1997 £
<b>Net cash inflow from operating activities</b>	400,173	385,120
<b>Returns on investments and servicing of finance</b>		
Interest received	10,651	8,301
Interest paid	<u>(107,686)</u>	<u>(99,133)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	(97,035)	(90,832)
<b>Taxation</b>	(1,138)	(10,398)
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible assets	(19,580)	(112,225)
Payments to acquire investments	<u>(50)</u>	<u>-</u>
<b>Net cash outflow for capital expenditure</b>	(19,630)	(112,225)
<b>Net cash inflow before management of liquid resources and financing</b>	<u>282,370</u>	<u>171,665</u>
<b>Management of liquid resources</b>		
Current asset investments	(49,950)	250,000
<b>Financing</b>		
Repayment of long term bank loan	(100,000)	(100,000)
Capital element of hire purchase contracts	<u>(32,170)</u>	<u>(32,170)</u>
<b>Net cash outflow from financing</b>	(132,170)	(132,170)
<b>Increase in cash in the year</b>	<u>100,250</u>	<u>289,495</u>

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1998

1	Reconciliation of operating profit to net cash inflow from operating activities	1998	1997	
		£	£	
	Operating profit	163,724	136,837	
	Depreciation of tangible assets	88,734	103,836	
	Decrease in stocks	44,156	69,727	
	Decrease/(increase) in debtors	251,371	(3,187)	
	(Decrease)/Increase in creditors within one year	(147,812)	77,907	
	<b>Net cash inflow from operating activities</b>	<b>400,173</b>	<b>385,120</b>	
2	Analysis of net debt	1 April 1997	Cash flow	Other 31 March 1998
		£	£	non-cash changes
				£
	Net cash:			
	Cash at bank and in hand	703,816	70,159	773,975
	Bank overdrafts	(694,440)	30,091	(664,349)
		<u>9,376</u>	<u>100,250</u>	<u>109,626</u>
	Liquid resources:			
	Short-term investments	-	49,950	(19,950)
	Debt:			
	Finance leases	(88,937)	32,170	-
	Debts falling due within one year	(100,000)	-	(100,000)
	Debts falling due after one year	(600,000)	100,000	-
		<u>(788,937)</u>	<u>132,170</u>	<u>-</u>
	Net debt	<u>(779,561)</u>	<u>282,370</u>	<u>(19,950)</u>
3	Reconciliation of net cash flow to movement in net debt	1998	1997	
		£	£	
	Increase in cash in the year	100,250	289,495	
	Cash (outflow)/inflow from (increase)/decrease in liquid resources	49,950	(250,000)	
	Cash outflow from decrease in debt and lease financing	132,170	132,170	
	<b>Movement in net debt in the year</b>	<b>262,420</b>	<b>171,665</b>	
	Opening net debt	(779,561)	(951,226)	
	<b>Closing net debt</b>	<b>(517,141)</b>	<b>(779,561)</b>	

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is comprised of UK and export sales of wholesale meat.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and equipment	at 10% per annum reducing balance basis
Motor vehicles	at 20% per annum reducing balance basis

#### 1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5 Investments

Current asset investments are stated at the lower of cost and net realisable value.

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

#### 1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

<b>3</b>	<b>Other interest receivable and similar income</b>	<b>1998</b>	<b>1997</b>
		£	£
	Bank interest	10,651	7,370
	Other interest	-	931
		<u>10,651</u>	<u>8,301</u>
<b>2</b>	<b>Operating profit</b>	<b>1998</b>	<b>1997</b>
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	88,734	103,836
	Operating lease rentals	60,000	60,000
	Auditors' remuneration	5,428	5,318
	Loss on currency exchange	39,916	51,620
	Exceptional bad debt	56,648	-
		<u>191,726</u>	<u>271,774</u>
<b>4</b>	<b>Amounts written off investments</b>	<b>1998</b>	<b>1997</b>
		£	£
	Amounts written off fixed asset investments:		
	- temporary diminution in value	50	-
	Amounts written off current asset investments	19,950	-
		<u>19,950</u>	<u>-</u>
<b>5</b>	<b>Interest payable</b>	<b>1998</b>	<b>1997</b>
		£	£
	On bank loans and overdrafts	99,793	91,240
	Hire purchase interest	7,893	7,893
		<u>107,686</u>	<u>99,133</u>
<b>6</b>	<b>Taxation</b>	<b>1998</b>	<b>1997</b>
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 21% (1997 - 24%)	9,393	1,138
		<u>9,393</u>	<u>1,138</u>

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

### 7 Tangible fixed assets

	Plant and equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 1997	855,876	406,118	1,261,994
Additions	19,581	-	19,581
At 31 March 1998	<u>875,457</u>	<u>406,118</u>	<u>1,281,575</u>
<b>Depreciation</b>			
At 1 April 1997	352,403	185,953	538,356
Charge for the year	46,593	42,141	88,734
At 31 March 1998	<u>398,996</u>	<u>228,094</u>	<u>627,090</u>
<b>Net book value</b>			
At 31 March 1998	<u>476,461</u>	<u>178,024</u>	<u>654,485</u>
At 31 March 1997	<u>503,473</u>	<u>220,165</u>	<u>723,638</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
<b>Net book values</b>	
At 31 March 1998	<u>83,143</u>
At 31 March 1997	<u>103,904</u>
<b>Depreciation charge for the year</b>	
31 March 1998	<u>20,761</u>
31 March 1997	<u>25,979</u>

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

### 8 Fixed asset investments

	Unlisted investments £
<b>Cost</b>	
At 1 April 1997	-
Additions	50
	<hr/>
At 31 March 1998	50
	<hr/>
<b>Provisions for diminution in value</b>	
At 1 April 1997	-
Charge for the year	50
	<hr/>
At 31 March 1998	50
	<hr/>
<b>Net book value</b>	
At 31 March 1998	-
	<hr/> <hr/>

### 9 Stocks

	1998 £	1997 £
Finished goods and goods for resale	10,578	54,734
	<hr/> <hr/>	<hr/> <hr/>

### 10 Debtors

	1998 £	1997 £
Trade debtors	760,621	950,154
Other debtors	40,102	67,937
Prepayments and accrued income	-	34,003
	<hr/>	<hr/>
	800,723	1,052,094
	<hr/> <hr/>	<hr/> <hr/>

Amounts falling due after more than one year and included in the debtors above are:

	1998 £	1997 £
Other debtors	-	38,963
	<hr/> <hr/>	<hr/> <hr/>

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

<b>11 Current asset investments</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Other unlisted investments	49,950	-
Directors' valuation of unlisted investments	30,000	-
<b>12 Creditors: amounts falling due within one year</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	764,349	794,440
Net obligations under finance lease and hire purchase contracts	32,171	32,171
Trade creditors	399,667	419,423
Corporation tax	9,653	1,398
Other taxes and social security costs	41,359	64,083
Directors' current accounts	4,764	104,649
Accruals and deferred income	65,913	71,360
	<u>1,317,876</u>	<u>1,487,524</u>

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

13 Creditors: amounts falling due after more than one year	1998	1997
	£	£
Bank loans	500,000	600,000
Net obligations under finance leases and hire purchase agreements	24,596	56,766
	<u>524,596</u>	<u>656,766</u>
 <b>Analysis of loans</b>		
Not wholly repayable within five years by instalments:	100,000	200,000
Wholly repayable within five years	500,000	500,000
	<u>600,000</u>	<u>700,000</u>
Included in current liabilities	(100,000)	(100,000)
	<u>500,000</u>	<u>600,000</u>
 <b>Loan maturity analysis</b>		
Between one and two years	100,000	100,000
Between two and five years	300,000	300,000
In five years or more	100,000	200,000
	<u>100,000</u>	<u>200,000</u>

Bank loans and overdraft are secured by way of:

A Cross guarantee secured by a debenture between the company and Edward Hamer Ltd (a company under common control);

a first legal charge over the freehold deeds of the Dolwen Abattoir owned by Edward Hamer Ltd;

a first legal charge over other freehold properties owned by Edward Hamer Ltd;

a first legal charge over freehold properties owned by E M Hamer, the controlling director.

### Net obligations under finance leases and hire purchase contracts

Repayable within one year	32,171	32,171
Repayable between one and five years	24,596	56,766
	<u>56,767</u>	<u>88,937</u>
Included in liabilities falling due within one year	(32,171)	(32,171)
	<u>24,596</u>	<u>56,766</u>

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

### 14 Provisions for liabilities and charges

Deferred tax is provided at 23% (1997 - 24%) analysed over the following timing differences:

	Not provided		Provided	
	1998	1997	1998	1997
	£	£	£	£
Accelerated capital allowances	71,000	68,000	-	-
	<u>71,000</u>	<u>68,000</u>	<u>-</u>	<u>-</u>

No provision has been made in respect of timing differences between the rates of depreciation used in the accounts and the rate of capital allowances given under current Revenue law as it is considered that there is no reasonable probability that any deferred tax liability attributable to timing differences will crystallise in the foreseeable future.

### 15 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £20,000 (1997 - £30,531).

16 Share capital	1998	1997
	£	£
<b>Authorised</b>		
1,000 Ordinary of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

### 17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 1997	388,993
Retained profit for the year	37,296
	<u>426,289</u>
Balance at 31 March 1998	<u>426,289</u>

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

<b>18 Reconciliation of movements in shareholders' funds</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	37,296	44,867
Opening shareholders' funds	389,992	345,125
Closing shareholders' funds	<u>427,289</u>	<u>389,992</u>

### 19 Contingent liabilities

The company is jointly and severally liable for outstanding sums due as a result of a class action between Meat Hygiene Services and various parties of which the company is one of sixty eight in the class. The approximate amount outstanding is £20,000 jointly and severally of which the company's several liability is 1/68th.

### 20 Financial commitments

At 31 March 1998 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Expiry date:		
Within one year	-	60,000

The company's lease expired on 31 March 1998. The owners have granted a lease to occupy during negotiations for the purchase of the land and buildings. The acquisition of the premises was completed on 4 August 1998.

<b>21 Directors' emoluments</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	55,112	34,547
Company pension contributions to money purchase schemes	20,000	30,531
	<u>75,112</u>	<u>65,078</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (1997 - 2).

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

---

### 22 Transactions with directors

The company operates from rented premises owned by Edward Hamer Ltd, a company under common control. The issued share capital of Edward Hamer Ltd is 35,000 ordinary shares of £1 each, and the directors beneficial ownership is 33,000 and 2,000 to E M and C Hamer respectively.

The company also trades with Edward Hamer Ltd in the normal course of business and at arms' length.

During the year the following transactions took place:

- a. Abattoir rent of £60,000 paid to Edward Hamer Ltd;
- b. sale of wholesale meat products to Edward Hamer Ltd amounting to £100,933;
- c. purchase of meat products from Edward Hamer Ltd amounting to £3,276.

### 23 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	1998 Number	1997 Number
	50	57
	<hr/>	<hr/>
<b>Employment costs</b>		
	£	£
Wages and salaries	687,065	681,841
Social security costs	64,299	63,417
Other pension costs	20,000	30,531
	<hr/>	<hr/>
	771,364	775,789
	<hr/>	<hr/>