

Company Registration No. 02500300 (England and Wales)

**EDWARD HAMER INTERNATIONAL LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 1997**



# EDWARD HAMER INTERNATIONAL LIMITED

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# **EDWARD HAMER INTERNATIONAL LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1997**

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The directors present their report and financial statements for the year ended 31 March 1997.

### **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 company increased sales within the UK and exports were maintained at the 1996 levels. The B.S.E. scare at the end of the previous accounts year and subsequent export ban on beef together with the strong pound has severely affected exports. Furthermore, it has had the effect of increasing competition both in the UK and in the EU for none beef exports with a surplus of supply being reflected in reduced market prices and poor margins. This has resulted in a fall of 14% in gross profit, despite a 17% increase in turnover.

No dividend is recommended.

### **Results and dividends**

The results for the year are set out on page 5.

### **Post balance sheet events**

During the April to September 1997 period, the overall economic climate in the meat processing, distribution and retailing industry has been extremely poor. The main factors causing economic difficulties are:

- a. Over capacity in the meat processing industry in the UK;
- b. ever increasing strength of Sterling causing difficulty in export markets;
- c. the need to keep production facilities going for the purposes of recovery of overheads and fixed costs even though losses are knowingly being suffered in the export market due to the aforementioned strength of Sterling.

The directors are generally concerned that there is a lack of enforcement of UK and European hygiene and other regulations affecting the meat trade. We are confident that the company adheres to and complies with regulations, with the resultant higher cost base, but are concerned that other companies do not so comply and are able to compete from a lower cost base. We are extremely concerned at the lack of a level playing field in this particular aspect.

As a result of all the above, the company has seen a reduction in turnover against the opening six month period of the previous year of 33% which may have a knock on effect to Edward Hamer Ltd, the retail company under common control. The going concern status of the companies is not, in our opinion currently at risk and is unlikely to be so during the next twelve months.

### **Future developments**

The directors are concerned at the current state of the market for its products due to inter alia the continuing world wide ban on exports by the EU; abattoir overcapacity partly as a result of the above; failure to fully implement and enforce proposed EU hygiene directives in the small abattoir sector.

The directors are continuing to monitor the regulatory enforcement situation throughout the EU and are hopeful the company will continue to maintain profitability against the background of overcapacity, export bans and continuing health scares and lack of recovery of customer confidence.

# EDWARD HAMER INTERNATIONAL LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1997

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### Directors

The following directors have held office since 1 April 1996:

E M Hamer  
C Hamer

### Directors' interests

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

	31 March 1997	Ordinary of £1 each 1 April 1996
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.

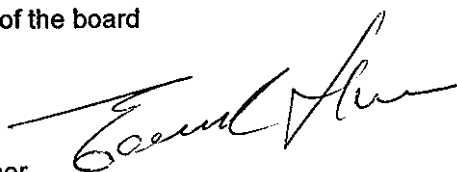
### Directors' responsibilities

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



E M Hamer  
Director

2 October 1997

# **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 on pages 5 to 14 together with the financial statements of Edward Hamer International Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1997.

### **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 the company's entitlement to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and whether the abbreviated accounts have been properly prepared in accordance with that provision 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 audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 under sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with section 246A of that Act, in respect of the year ended 31 March 1997 and the abbreviated accounts on pages 3 to 14 have been properly prepared in accordance with that section.

### **Other information**

On 3 October 1997 we reported, as auditors of Edward Hamer International Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1997, and our audit report was as follows:

"We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

### **Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. 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 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.

# 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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### 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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."



King, Morter, Proud & Co

3 October 1997

Chartered Accountants  
Registered Auditor

Kings Arms Vaults, Watton  
Brecon  
Powys  
LD3 7EF

# EDWARD HAMER INTERNATIONAL LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1997

	Notes	1997 £	1996 £
<b>Gross profit</b>		1,685,549	1,961,738
Distribution costs		(981,491)	(1,088,132)
Administrative expenses		(567,221)	(731,577)
<b>Operating profit</b>	<b>2</b>	136,837	142,029
Other interest receivable and similar income	<b>3</b>	8,301	7,917
Interest payable and similar charges	<b>4</b>	(99,133)	(91,347)
<b>Profit on ordinary activities before taxation</b>		46,005	58,599
Tax on profit on ordinary activities	<b>5</b>	(1,138)	(10,398)
<b>Profit on ordinary activities after taxation</b>	<b>14</b>	44,867	48,201

# EDWARD HAMER INTERNATIONAL LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 MARCH 1997

	Notes	1997 £	£	1996 £	£
<b>Fixed assets</b>					
Tangible assets	6		723,638		715,249
<b>Current assets</b>					
Stocks	7	54,734		124,461	
Debtors	8	1,052,094		1,048,907	
Investments	9	-		250,000	
Cash at bank and in hand		703,816		9,087	
		<u>1,810,644</u>		<u>1,432,455</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,487,524)</u>		<u>(1,013,643)</u>	
<b>Net current assets</b>			<u>323,120</u>		<u>418,812</u>
<b>Total assets less current liabilities</b>			<u>1,046,758</u>		<u>1,134,061</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(656,766)</u>		<u>(788,936)</u>
			<u>389,992</u>		<u>345,125</u>
<b>Capital and reserves</b>					
Called up share capital	13		1,000		1,000
Profit and loss account	14		388,992		344,125
<b>Shareholders' funds</b>	15		<u>389,992</u>		<u>345,125</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 2 October 1997

E M Hamer  
Director





# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1997

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention. The depreciation policy has changed in the year from a cost to reducing balance basis, but remaining at the same percentage rates.

#### 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.

### 2 Operating profit

	1997	1996
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	103,836	134,743
Operating lease rentals	60,000	60,000
Auditors' remuneration	5,318	4,770

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# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1997

<b>3</b>	<b>Other interest receivable and similar income</b>	<b>1997</b>	<b>1996</b>
		<b>£</b>	<b>£</b>
	Bank interest	7,370	6,348
	Other interest	931	1,569
		<u>8,301</u>	<u>7,917</u>
<b>4</b>	<b>Interest payable</b>	<b>1997</b>	<b>1996</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	91,240	84,051
	Hire purchase interest	7,893	7,296
		<u>99,133</u>	<u>91,347</u>
<b>5</b>	<b>Taxation</b>	<b>1997</b>	<b>1996</b>
		<b>£</b>	<b>£</b>
	<b>U.K. current year taxation</b>		
	U.K. corporation tax at 24% (1996 - 25%)	1,138	10,398
		<u>1,138</u>	<u>10,398</u>

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1997

### 6 Tangible fixed assets

	Plant and equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 1996	804,192	348,737	1,152,929
Additions	51,344	60,881	112,225
	<hr/>	<hr/>	<hr/>
At 31 March 1997	855,536	409,618	1,265,154
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 April 1996	299,826	137,854	437,680
Charge for the year	52,237	51,599	103,836
	<hr/>	<hr/>	<hr/>
At 31 March 1997	352,063	189,453	541,516
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 March 1997	503,473	220,165	723,638
	<hr/>	<hr/>	<hr/>
At 31 March 1996	504,366	210,883	715,249
	<hr/>	<hr/>	<hr/>

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

	Motor vehicles £
<b>Net book values</b>	
At 31 March 1997	103,904
	<hr/>
At 31 March 1996	129,883
	<hr/>
<b>Depreciation charge for the year</b>	
31 March 1997	25,979
	<hr/>
31 March 1996	31,153
	<hr/>

### 7 Stocks

	1997 £	1996 £
Finished goods and goods for resale	54,734	124,461
	<hr/>	<hr/>

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1997

8 Debtors	1997	1996
	£	£
Trade debtors	950,154	870,848
Other debtors	67,937	178,059
Prepayments and accrued income	34,003	-
	<u>1,052,094</u>	<u>1,048,907</u>
Amounts falling due after more than one year and included in the debtors above are:		
	1997	1996
	£	£
Other debtors	<u>38,963</u>	<u>126,672</u>
9 Current asset investments		
	1997	1996
	£	£
Other unlisted investments	<u>-</u>	<u>250,000</u>
10 Creditors: amounts falling due within one year		
	1997	1996
	£	£
Bank loans and overdrafts	794,440	389,206
Net obligations under finance lease and hire purchase contracts	32,171	32,171
Trade creditors	419,423	272,670
Corporation tax	1,398	10,658
Other taxes and social security costs	64,083	46,284
Directors' current accounts	104,649	112,524
Accruals and deferred income	71,360	150,130
	<u>1,487,524</u>	<u>1,013,643</u>

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1997

11 Creditors: amounts falling due after more than one year	1997 £	1996 £
Bank loans	600,000	700,000
Net obligations under finance leases and hire purchase agreements	56,766	88,936
	<u>656,766</u>	<u>788,936</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments:	200,000	300,000
Wholly repayable within five years	500,000	500,000
	<u>700,000</u>	<u>800,000</u>
Included in current liabilities	(100,000)	(100,000)
	<u>600,000</u>	<u>700,000</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	200,000	300,000
	<u>600,000</u>	<u>700,000</u>
Bank loans and overdraft are secured by way of:		
A Cross guarantee and debenture between the company and Edward Hamer Ltd (a company under common control);		
a first legal charge relating the the freehold deeds of the Dolwen Abattoir owned by Edward Hamer Ltd;		
a first legal charge over other properties owned by Edward Hamer Ltd;		
a first legal charge on freehold property owned by E M Hamer, the controlling director.		
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	32,171	32,171
Repayable between one and five years	56,766	88,936
	<u>88,937</u>	<u>121,107</u>
Included in liabilities falling due within one year	(32,171)	(32,171)
	<u>56,766</u>	<u>88,936</u>

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1997

### 12 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 £30,531 (1996 - £68,400).

13 Share capital	1997 £	1996 £
<b>Authorised</b>		
1,000 Ordinary of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary of £1 each	1,000	1,000

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

	Profit and loss account £
Balance at 1 April 1996	344,125
Retained profit for the year	44,867
Balance at 31 March 1997	388,992

### 15 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	44,867	48,201
Opening shareholders' funds	345,125	296,924
Closing shareholders' funds	389,992	345,125

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1997

### 16 Financial commitments

At 31 March 1997 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1997	1996
	£	£
Expiry date:		
Within one year	60,000	-
Between two and five years	-	60,000
	<u>60,000</u>	<u>60,000</u>

### 17 Directors' emoluments

	1997	1996
	£	£
Emoluments for qualifying services	34,547	97,425
Company pension contributions to money purchase schemes	30,531	68,000
	<u>65,078</u>	<u>165,425</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (1996 - 2).

### 18 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 supply of its products. All transactions between the two companies are in the ordinary course of business and are conducted at arms' length.

During the year the following transactions took place:

- Abattoir rent of £60,000 paid to Edward Hamer Ltd;
- sale of wholesale meat products to Edward Hamer Ltd amounting to £132,325;
- purchase of meat products from Edward Hamer Ltd amounting to £2,607.

# EDWARD HAMER INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1997

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### 19 Employees

#### Number of employees

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

	1997 Number	1996 Number
	57	60
	<hr/>	<hr/>
Employment costs	£	£
Wages and salaries	745,258	804,281
Other pension costs	30,531	68,400
	<hr/>	<hr/>
	775,789	872,681
	<hr/>	<hr/>