

Hamer International Limited

Reports and financial statements

for the year ended 30 September 2001

Registered no: 2500300



Hamer International Limited

REPORTS AND FINANCIAL STATEMENTS **for the year ended 30 September 2001**

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Hamer International Limited

DIRECTORS' REPORT

for the year ended 30 September 2001

The directors present their report and the audited financial statements for the year ended 30 September 2001.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the processing and wholesaling of meat and the export of meat and meat products.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The profit and loss account is presented on page 4.

Given the impact on the business from the Food and Mouth disease outbreak in February 2001 and the consequent ban on the export of sheepmeat from the United Kingdom, the result for the year is very encouraging. The current year has continued that encouraging trend.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend for the year (18 months ended 30 September 2000: £nil).

The Board recognize that at some future date it has a legal obligation to pay a dividend to certain former shareholders in respect of profits earned up to November 1999. At this time the precise amount of this dividend is unclear and the directors do not consider that it is prudent yet to declare such a dividend.

The remaining profit for the financial year of £274,000 (18 months ended 30 September 2000: £140,000) has been transferred to reserves.

GROUP ACCOUNTS

The Company is a subsidiary of Randall Parker Food Group Limited for which group accounts are prepared. Copies of these can be obtained from The Old Rectory, Cold Higham, Towcester, NN12 8LR.

DIRECTORS

The directors of the Company at 30 September 2001, who have unless stated served throughout the year, are as follows:-

R L Randall	*	
D R Brady	*	
R J Field	*	(Appointed 26 February 2001)
W J Parker	*	(Appointed 28 June 2001)
E M Hamer		(Resigned 26 February 2001)
K R Morgan		(Resigned 26 February 2001)

DIRECTORS' INTERESTS

None of the directors had any interest in the share capital of the Company at any time during the year. The directors marked * are directors of Randall Parker Food Group Limited, the parent company, and details of their shareholdings in the parent company are disclosed in the parent company accounts. Messrs Hamer and Morgan have no interest in the share capital of the parent company.

CHANGES IN FIXED ASSETS

The movements in fixed assets during the period are set out in note 10 to the financial statements. In the opinion of the directors the market value of the Company's properties is not less than the amount shown in the financial statements.

Hamer International Limited

DIRECTORS' REPORT

for the year ended 30 September 2001 (continued)

EMPLOYMENT OF DISABLED PERSONS

The Company has continued its policy, which is:

- (a) to give full and fair consideration to applications for employment with the Company from disabled persons, having regard to their particular aptitudes and abilities and the working conditions that apply;
- (b) to endeavour always to continue the employment of any employee who becomes disabled while employed by the Company and, where possible and appropriate, to provide suitable retraining; and
- (c) to ensure that disabled employees shall have the same opportunities as all other employees for training, career development and promotion, having regard to their aptitudes and abilities.

EMPLOYEE INVOLVEMENT

The directors provide information to employees by means of management briefings and training. Managers are expected to be in touch with the views of employees and to consider such views seriously. It continues to be the policy of the Company to encourage employees' efforts and to reward employees accordingly.

RESEARCH AND DEVELOPMENT

The Company continues to increase the product range offered to customers.

CHARITABLE CONTRIBUTIONS

The Company made no charitable contributions during the year (18 months ended 30 September 2000: £nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that year.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 30 September 2001. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

TAXATION STATUS

The Company is a close Company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the year.

AUDITORS

A resolution to re-appoint PricewaterhouseCoopers as auditors of the Company will be proposed at the Annual General Meeting.

By order of the board


D R Brady F.C.A.
Secretary

22 March 2002

Independent auditors' report to the members of Hamer International Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes, which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Liverpool

27 March 2002

Hamer International Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 September 2001

	Notes	Year ended 30 September 2001 £'000	18 months ended 30 September 2000 £'000
TURNOVER	2	17,415	23,773
Cost of sales		(14,816)	(20,492)
GROSS PROFIT		2,599	3,281
Net operating expenses	3	(2,251)	(2,985)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		348	296
Interest payable and similar charges	6	(95)	(169)
Interest receivable and similar items	7	19	13
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	8	272	140
Taxation	9	2	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		274	140
Dividends - on equity shares		-	-
PROFIT RETAINED FOR THE YEAR	16	274	140

The Company has no recognised gains or losses other than the retained profit for the financial year stated above.

All results derive from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

Hamer International Limited

BALANCE SHEET at 30 September 2001

	Notes	30 September 2001 £'000	30 September 2000 £'000
FIXED ASSETS			
Tangible assets	10	2,976	2,686
CURRENT ASSETS			
Stocks	11	64	49
Debtors	12	1,976	1,937
		2,040	1,986
CREDITORS: amounts falling due within one year	13	(3,057)	(2,892)
NET CURRENT LIABILITIES		(1,017)	(906)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,959	1,780
Creditors: amounts falling due after more than one year	14	(640)	(735)
NET ASSETS		1,319	1,045
CAPITAL AND RESERVES			
Called up share capital	15	1	1
Reserves	16	1,318	1,044
EQUITY SHAREHOLDERS' FUNDS	17	1,319	1,045

The financial statements on pages 4 to 13 were approved by the board of directors on 22 March 2002 and were signed on its behalf by:



D R Brady F.C.A.
Director

Hamer International Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important group accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Cashflow statement

The cash flows of the Company are included in the consolidated cash flow statements of Randall Parker Food Group Limited, the ultimate parent company which is established under the laws of an EC member state. This exempts the Company from having to prepare a cashflow statement

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition less any impairment in value.

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their expected useful lives.

The rates applicable are as follows:

Freehold buildings	-	2%	per annum
Plant and machinery	-	10%	per annum
Motor vehicles	-	20%	per annum

Investment income

Income from investments is included, together with any related tax credit, in the profit and loss account on an accruals basis.

Hire purchase and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under the finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding.

Stock and work in progress

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

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services provided and is recognised on despatch to customers.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year or the rate of forward cover at that date. All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Deferred taxation

Deferred taxation is provided for under the liability method except where, in the opinion of the directors, the timing differences will not reverse in the foreseeable future.

Hamer International Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001 (continued)

Pension scheme arrangements

The Company operates a defined contribution pension scheme, providing for benefits for employees additional to those provided by the State. The pension charge in the profit and loss account represents the contributions paid by the Company in the year.

	Year ended 30 September 2001 £'000	18 months ended 30 September 2000 £'000
2. TURNOVER		
Turnover is attributable to one class of business and arose solely from operations in the United Kingdom. The following table provides an analysis of turnover by geographical destination.		
United Kingdom	10,796	13,706
Rest of Europe	1,609	2,954
Inter-group	5,010	7,113
	<u>17,415</u>	<u>23,773</u>
3. NET OPERATING EXPENSES		
Continuing operations		
Distribution costs	1,029	1,812
Administrative costs	1,222	1,173
	<u>2,251</u>	<u>2,985</u>
4. DIRECTORS' EMOLUMENTS		
Emoluments (including benefits in kind)	29	138
Pension contributions	-	8
	<u>29</u>	<u>146</u>

Messrs Randall, Brady, Field and Parker are also directors of the parent company. The directors' remuneration in respect of their services to the group, including Hamer International Limited, is paid by and disclosed in the accounts of the parent company.

Other than the directors of the parent company, retirement benefits are accruing to nil (2000: nil) of the Company's directors under the group's defined contribution scheme.

Hamer International Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001 (continued)

	Year ended 30 September 2001 Number	18 months ended 30 September 2000 Number
5. EMPLOYEE INFORMATION		
The average number of persons employed by the Company during the year was:		
Management and administration	11	12
Selling and distribution	20	21
Production	43	47
	<u>74</u>	<u>80</u>
Staff costs (for the above persons)	£'000	£'000
Wages and salaries	1,524	2,121
Social security costs	104	148
Other pension costs (note 19)	-	8
	<u>1,628</u>	<u>2,277</u>
6. INTEREST PAYABLE AND SIMILAR CHARGES	2001 £'000	2000 £'000
On bank loans, overdrafts repayable within 5 years not by instalments	84	151
On finance leases and hire purchase contracts	11	18
	<u>95</u>	<u>169</u>
7. INTEREST RECEIVABLE AND SIMILAR ITEMS	2001 £'000	2000 £'000
Bank interest	-	4
Interest receivable from group companies	19	9
	<u>19</u>	<u>13</u>

Hamer International Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001 (continued)

	Year ended 30 September 2001 £'000	18 months ended 30 September 2000 £'000
8. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		

Profit on ordinary activities before taxation is stated after charging:

Depreciation on tangible fixed assets:

Owned assets	134	169
Under finance leases	26	23
Auditor's remuneration for:		
Audit	14	8
Other services	-	2
Hire of other assets - operating leases		
Other	42	42

9. TAX ON PROFIT ON ORDINARY ACTIVITIES	2001 £'000	2000 £'000
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The tax credit for the year is made up as follows:

United Kingdom Corporation tax at 30% (2000: 30%)	(1)	-
Adjustment to prior year's tax charge	(1)	-
	(2)	-

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant Machinery and vehicles £'000	Total £'000
Cost			
At 1 October 2000	1,491	1,949	3,440
Additions	96	364	460
Disposals	-	(26)	(26)
At 30 September 2001	1,587	2,287	3,874
Depreciation			
At 1 October 2000	16	738	754
Charge for period	16	144	160
Disposals	-	(16)	(16)
At 30 September 2001	32	866	898
Net book value 30 September 2001	1,555	1,421	2,976
Net book value 30 September 2000	1,475	1,211	2,686

Hamer International Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001 (continued)

10. TANGIBLE FIXED ASSETS (continued)

Included in the above analysis is an amount of £237,000 (2000: £303,000) which represents the written down value of assets acquired under hire purchase contracts.

	2001 £'000	2000 £'000
11. STOCKS		
Finished goods and goods for resale	64	49

	2001 £'000	2000 £'000
12. DEBTORS		
Amounts falling due within one year		
Trade debtors	1,501	1,463
Amounts owed by group companies	346	206
Amount owed by parent company	72	248
Other debtors	24	-
Prepayments and accrued income	31	20
Corporation tax recoverable	2	-
	1,976	1,937

	2001 £'000	2000 £'000
13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank overdraft (secured)	794	939
Trade creditors	867	762
Amounts owed to group companies	965	398
Other creditors	-	1
Other taxation and social security	53	137
Accruals, provisions and deferred income	283	407
Obligations under finance leases and hire purchase contracts	15	104
Proposed dividend	-	64
Bank loans – current (secured)	80	80
	3,057	2,892

Hamer International Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001 (continued)

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2001 £'000	2000 £'000
Bank loans (secured)	640	720
Obligations and finance leases and hire purchase contracts	-	15
	<u>640</u>	<u>735</u>

The bank loans and overdraft shown above and in note 13 are secured on assets of the Company and carry interest at commercial rates.

Maturity of Financial Liabilities

The maturity profiles of the carrying amounts of the Company's financial liabilities other than short term creditors such as trade creditors and accruals at 30 September 2001 and 30 September 2000 were as follows:-

	Bank loans and overdraft £'000	HP creditors £'000	2001 Total £'000	Bank loans and overdraft £'000	HP creditors £'000	2000 Total £'000
Within 1 year or on demand	794	15	809	939	104	1,043
Between 1 and 2 years	80	-	80	80	15	95
Between 2 and 5 years	560	-	560	640	-	640
	<u>1,434</u>	<u>15</u>	<u>1,449</u>	<u>1,659</u>	<u>119</u>	<u>1,778</u>

15. CALLED UP SHARE CAPITAL	2001 £	2000 £
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Authorised, allotted, called-up and fully paid
1,493 ordinary shares of £1 each

1,493 1,493

16. RESERVES	Share premium £'000	Profit & Loss account £'000	Total £000
At 1 October 2000	500	544	1,044
Retained profit for the year	-	274	274
	<u>500</u>	<u>818</u>	<u>1,318</u>
At 30 September 2001			

Hamer International Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001 (continued)

	2001 £'000
17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	
Opening shareholders' funds	1,045
Profit for the year	274
	<hr/>
Closing shareholders' funds	1,319
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18. FINANCIAL COMMITMENTS

At 30 September 2001 and 2000 the Company had annual commitments under non-cancellable operating leases in relation to plant and machinery as follows:-

	2001 £'000	2000 £'000
Expiring within one year	16	28
Expiring between two and five years inclusive	14	39
Expiring in over five years	-	-
	<hr/>	<hr/>
	30	67
	<hr/>	<hr/>

19. PENSION AND SIMILAR OBLIGATIONS

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 costs charged to profit and loss in the year amounted to £nil (2000: £8,000).

20. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the available exemptions under Financial Reporting Standards No 8 not to disclose any transactions or balances with entities that are part of the group or with investors in the group that would qualify as related parties. This exemption is available because the consolidated financial statements of Randall Parker Food Group Limited of which the Company is a subsidiary are publicly available. Other related party transactions are disclosed in the financial statements of Randall Parker Food Group Limited.

E M Hamer, a director of the Company until 26 February 2001, is a controlling shareholder in Edward Hamer Limited ("Hamer"), a customer of the Company. Sales to and purchases from Hamer until that date, on an arm's length basis, amounted to £5,000 and £7,000 respectively, with a balance of £2,000 due from Hamer at 30 September 2001.

21. CONTINGENT LIABILITIES

The Company has pleaded guilty to two charges under Health and Safety legislation in connection with the operation of the commercial vehicle fleet in the 5 years to November 1999. In the light of the fines levied in November 2001 the Directors have made what they consider to be an adequate provision in these financial statements.

Hamer International Limited

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 30 September 2001 (continued)**

22. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the financial statements, and the total potential liability including the amounts for which provision has been made, are as follows:

	Amount provided		Total potential liability	
	2001	2000	2001	2000
	£000	£000	£000	£2000
Tax effect of timing differences because of:				
- Excess of tax allowances over depreciation	-	-	191	204
- Others	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	191	204
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

23. PARENT COMPANY

The directors regard Randall Parker Food Group Limited, a company registered in England and Wales, as the immediate and ultimate parent company.

The consolidated financial statements of Randall Parker Food Group Limited can be obtained from The Old Rectory, Cold Higham, Towcester, NN12 8LR