

# **Hamer International Limited**

## **Reports and financial statements**

**for the year ended 30 September 2003**

Registered no: 2500300



# **Hamer International Limited**

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## **REPORTS AND FINANCIAL STATEMENTS** **for the year ended 30 September 2003**

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# **Hamer International Limited**

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## **DIRECTORS' REPORT**

**for the year ended 30 September 2003**

The directors present their report and the audited financial statements for the year ended 30 September 2003.

### **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.

Whilst turnover has remained constant, a shortening in supply of livestock with a consequent increase in price has put pressure on margins. Tight cost control has, however, produced a slightly better result. The current year has started ahead of last year although further restrictions in the supply of livestock are once again putting pressure on margins.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not recommend the payment of a dividend for the year (2002: £58,376). The surplus for the financial year of £138,000 (2002: £9,000) 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 2003, who have all served throughout the year, are as follows:-

R L Randall  
D R Brady  
R J Field  
W J Parker

### **DIRECTORS' INTERESTS**

None of the directors had any interest in the share capital of the Company at any time during the year. The directors are all 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.

### **CHANGES IN FIXED ASSETS**

The movements in fixed assets during the period are set out in note 11 to the financial statements. In the opinion of the directors the market value of the Company's property is not less than the amount shown in the financial statements.

### **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 (2002: £nil).

# Hamer International Limited

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## DIRECTORS' REPORT

for the year ended 30 September 2003 (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.

### 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.

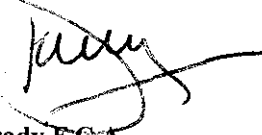
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 30 September 2003. The directors also confirm that applicable accounting 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.

### AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

By order of the board

  
D R Brady F.C.A.  
Secretary

25 March 2004

# **Independent auditors' report to the members of Hamer International Limited**

We have audited the financial statements which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes.

## **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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

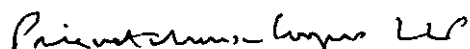
## **Basis of audit opinion**

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Registered Auditors**  
**Liverpool**

25 March 2004

# Hamer International Limited

## PROFIT AND LOSS ACCOUNT for the year ended 30 September 2003

	Note	Year ended 30 September 2003 £'000	Year ended 30 September 2002 £'000
<b>TURNOVER</b>	3	<b>23,091</b>	23,093
Cost of sales		(20,491)	(20,189)
<b>GROSS PROFIT</b>		<b>2,600</b>	2,904
Net operating expenses	4	(2,332)	(2,770)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>268</b>	134
Net interest payable	7	(60)	(31)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	8	<b>208</b>	103
Taxation	9	(70)	(36)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>138</b>	67
Dividends	10	-	(58)
<b>PROFIT RETAINED FOR THE YEAR</b>	17	<b>138</b>	9

All results derive from continuing operations.

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

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Note	£'000	£'000
Profit for the financial period		138	67
Prior year adjustment	2	-	(191)
<b>Total recognised gains / (losses) for the period</b>		<b>138</b>	(124)

# Hamer International Limited

## BALANCE SHEET at 30 September 2003

	Note	30 September 2003 £'000	30 September 2002 £'000
<b>FIXED ASSETS</b>			
Tangible assets	11	3,042	2,934
<b>CURRENT ASSETS</b>			
Stocks	12	83	101
Debtors	13	3,193	3,085
		3,276	3,186
<b>CREDITORS: amounts falling due within one year</b>	14	(4,310)	(4,198)
<b>NET CURRENT LIABILITIES</b>		(1,034)	(1,012)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,008	1,922
Creditors: amounts falling due after more than one year	15	(480)	(560)
Deferred taxation	22	(253)	(225)
<b>NET ASSETS</b>		1,275	1,137
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	1	1
Reserves	17	1,274	1,136
<b>EQUITY SHAREHOLDERS' FUNDS</b>	18	1,275	1,137

The financial statements on pages 4 to 13 were approved by the board of directors on 25 March 2004 and were signed on its behalf by:



R L Randall  
Director



D R Brady F.C.A.  
Director

# Hamer International Limited

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## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2003

### 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

#### **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 accounted for on an undiscounted basis at expected rates of tax on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is recognised when it is more likely than not that there will be suitable taxable profits from which the future reversal of timing differences can be deducted.



# Hamer International Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2003 (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.

### 2. PRIOR YEAR CHANGE IN ACCOUNTING POLICY – DEFERRED TAXATION

In the year ended 30 September 2002 the Company changed its accounting policy in relation to deferred taxation to that which is detailed above. The effect of this change was to create a provision for deferred tax at 1 October 2001 of £191,000 (note 22).

	Year ended 30 September 2003 £'000	Year ended 30 September 2002 £'000
3. 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	16,206	15,562
Rest of Europe	2,981	2,256
Intra group – United Kingdom	3,904	5,275
	<hr/>	<hr/>
	23,091	23,093
	<hr/>	<hr/>

4. NET OPERATING EXPENSES	2003 £'000	2002 £'000
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### Continuing operations

Distribution costs	1,084	1,258
Administrative costs	1,248	1,512
	<hr/>	<hr/>
	2,332	2,770
	<hr/>	<hr/>

### 5. DIRECTORS' EMOLUMENTS

All the directors are also directors of the parent company and their 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.

# Hamer International Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2003 (continued)

	Year ended 30 September 2003 Number	Year ended 30 September 2002 Number
<b>6. EMPLOYEE INFORMATION</b>		
The average number of persons employed by the Company during the year was:		
Management and administration	15	14
Selling and distribution	21	21
Production	59	58
	<u>95</u>	<u>93</u>
<b>Staff costs (for the above persons)</b>	<b>£'000</b>	<b>£'000</b>
Wages and salaries	1,590	1,761
Social security costs	135	143
	<u>1,725</u>	<u>1,904</u>
	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
<b>7. NET INTEREST PAYABLE</b>		
On bank loans, overdrafts repayable within 5 years not by instalments	60	58
On finance leases and hire purchase contracts	-	2
Interest receivable from group companies	-	(29)
	<u>60</u>	<u>31</u>
	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
<b>8. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
Profit on ordinary activities before taxation is stated after charging:		
Depreciation on tangible fixed assets:		
Owned assets	159	171
Auditor's remuneration for:		
Audit	15	14
Hire of other assets - operating leases		
Other	18	11

# Hamer International Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2003 (continued)

	Year ended 30 September 2003 £'000	Year ended 30 September 2002 £'000
<b>9. TAXATION</b>		
a) Analysis of charge in period:		
<b>Current tax</b>		
UK Corporation tax on profits for the period	38	1
Adjustments in respect of prior periods	4	1
	<hr/>	<hr/>
<b>Total current tax</b>	<b>42</b>	<b>2</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences (note 22)	28	34
	<hr/>	<hr/>
<b>Tax on profits on ordinary activities</b>	<b>70</b>	<b>36</b>
	<hr/>	<hr/>
b) Factors affecting tax charge for the period:		
Profit on ordinary activities before tax	209	103
	<hr/>	<hr/>
Corporation tax of 30% (2002: 20%) on profit on ordinary activities	62	20
Effects of:		
- Expenses not deductible for tax purposes	1	1
- Capital allowance in excess of depreciation	(25)	(17)
- Group relief not paid for	-	(3)
- Adjustments to tax charge in respect of prior periods	4	1
	<hr/>	<hr/>
	<b>42</b>	<b>2</b>
	<hr/>	<hr/>
<b>10. DIVIDENDS</b>	<b>2003 £'000</b>	<b>2002 £'000</b>
Ordinary - £nil per share (2002: £39.10 per share in respect of period up to November 1999)	-	58
	<hr/>	<hr/>

# Hamer International Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2003 (continued)

11. TANGIBLE FIXED ASSETS	Freehold land and buildings £'000	Plant Machinery and vehicles £'000	Total £'000
<b>Cost</b>			
At 1 October 2002	1,624	2,370	3,994
Additions	-	289	289
Disposals	-	(29)	(29)
<b>At 30 September 2003</b>	<b>1,624</b>	<b>2,630</b>	<b>4,254</b>
<b>Depreciation</b>			
At 1 October 2002	50	1,010	1,060
Charge for period	18	141	159
Disposals	-	(7)	(7)
<b>At 30 September 2003</b>	<b>68</b>	<b>1,144</b>	<b>1,212</b>
<b>Net book value 30 September 2003</b>	<b>1,556</b>	<b>1,486</b>	<b>3,042</b>
Net book value 30 September 2002	1,574	1,360	2,934

Included in the above analysis is an amount of £133,000 (2002: £nil) which represents the written down value of assets acquired under hire purchase contracts.

12. STOCKS	2003 £'000	2002 £'000
Finished goods and goods for resale	83	101
	<u>83</u>	<u>101</u>
13. DEBTORS	2003 £'000	2002 £'000
Trade debtors	2,473	2,293
Amounts owed by group companies	173	233
Amount owed by parent company	531	531
Prepayments and accrued income	16	28
	<u>3,193</u>	<u>3,085</u>

# Hamer International Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2003 (continued)

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2003 £'000	2002 £'000
Bank overdraft (secured)	353	506
Trade creditors	1,831	1,793
Amounts owed to group companies	1,440	1,376
Other taxation and social security	149	118
Accruals, provisions and deferred income	283	284
Obligations under finance leases and hire purchase contracts	133	-
Proposed dividend	-	39
Bank loans – current (secured)	80	80
Corporation tax payable	41	2
	<u>4,310</u>	<u>4,198</u>
15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2003 £'000	2002 £'000
Bank loans (secured)	<u>480</u>	<u>560</u>

The bank loans and overdraft shown above and in note 14 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 2003 and 30 September 2002 were as follows:-

	Bank loans and overdraft £'000	HP creditors £'000	2003 Total £'000	Bank loans and overdraft £'000	HP creditors £'000	2002 Total £'000
Within 1 year or on demand	433	133	566	586	-	586
Between 1 and 2 years	80	-	80	80	-	80
Between 2 and 5 years	320	-	320	320	-	320
After 5 years	80	-	80	160	-	160
	<u>913</u>	<u>133</u>	<u>1,046</u>	<u>1,146</u>	<u>-</u>	<u>1,146</u>

# Hamer International Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2003 (continued)

16.	CALLED UP SHARE CAPITAL	2003 £	2002 £	
Authorised, allotted, called-up and fully paid 1,493 ordinary shares of £1 each		1,493	1,493	
17.	RESERVES	Share premium £'000	Profit & Loss account £'000	Total £000
At 1 October 2002		500	636	1,136
Retained profit for the year		-	138	138
At 30 September 2003		500	774	1,274
18.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2003 £'000	2002 £'000	
Retained profit for the financial year		138	9	
Opening shareholders funds		1,137	1,128	
Shareholders funds at 30 September		1,275	1,137	
19.	FINANCIAL COMMITMENTS			
At 30 September 2003 and 2002 the Company had annual commitments under non-cancellable operating lease in relation to plant and machinery as follows:-				
		2003 £'000	2002 £'000	
Expiring within one year		-	6	

# Hamer International Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2003 (continued)

### 20. 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 (2002: £nil).

### 21. 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. 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.

### 22. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the financial statements is as follows:

	2003 £'000	Amount provided 2002 £'000
Accelerated capital allowances	260	225
Other timing differences	(7)	-
	<hr/>	<hr/>
Deferred tax liability	253	225
	<hr/>	<hr/>
Movement in the period		
Provision at start of period	225	191
Charge/(credit) to profit and loss account (note 9)	28	34
	<hr/>	<hr/>
Closing deferred tax liability	253	225
	<hr/>	<hr/>

### 23. CAPITAL COMMITMENTS

The Company had no capital commitments at 30 September 2003 (2002: nil).

### 24. 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