

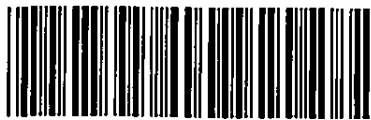
Brambles Foods Limited

**Directors' report and financial
statements**

Registered number 3229975

Year ended 3 October 2009

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Company information

Directors

C Thomas
J Momen
P Kingsley-Bates

Secretary and registered office

Maclay Murray and Spens LLP
1 London Wall
London EC2Y 5AB

Auditors

KPMG LLP
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

Bankers

Bank of Scotland
Level 3, Citymark
150 Fountainbridge
Edinburgh
EH3 9PE

Rabobank
Thames Court
1 Queenhithe
London EC4V 3RL

The Royal Bank of Scotland
22 Albert Road
Middlesbrough
TS1 1PR

Directors' report

The directors present their directors' report and audited financial statements for the year ended 3 October 2009

Principal activities

The company's principal activity is that of manufacture and distribution of fresh chilled sandwiches and related snack food products

Directors

The directors who held office during the year are

PW Pocock	Resigned 4 June 2009
S McLelland	Resigned 31 October 2009
A Truelove	Resigned 30 November 2008
J Momen	
C Thomas	Appointed 15 June 2009
P Kingsley-Bates	Appointed 9 November 2009

Business review

The company continues to supply a wide range of chilled sandwiches, wraps, Paninis and snack salads to the contract catering, education and health markets within the food service sector

Results

In the 12 month period the company made a profit after tax of £174,000 (2008 profit of £1,831,000)

During the year the company experienced unprecedented cost increases on its raw material, packaging, fuel and utility supplies. As a result of this, the business had to recover the additional costs through price increases with all of its customers, which whilst both extremely difficult and time consuming, was successfully implemented

No dividends were paid or proposed during the period (2008 £nil)

Net debt

The company has no third party external borrowings and has net cash funds of £3,132,000. Brambles Foods Limited has received net funding totalling £756,000 from the company's parent, Brambles Foods Group Limited, and other members of the Adelle Food Holdings Limited Group at the balance sheet date. These debts are unsecured and non-interest bearing.

Future outlook

Trading conditions are proving challenging and the company is anticipating a slow down in the level of sales growth seen in previous years. As a result the company implemented a number of strategic initiatives to ensure that it would remain well placed to continue to maintain high levels of service to its customers.

In light of this and recent successes in winning new leisure and travel business, the company remains cautiously optimistic about the forthcoming year.

Directors' report *(continued)*

Business review *(continued)*

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Adelie group and are not managed separately. Accordingly, the principal risks and uncertainties of Adelie Food Holdings Limited, which include those of the company, are discussed in the group's annual report, which does not form part of this report.

Key performance ratios

The business relies on a number of specific Key Performance Indicators (KPI's). These are used by the management team to monitor performance on a regular basis.

The main KPI's are as follows:

- EBITDA – earnings before exceptional items, interest, tax, depreciation and amortisation,
- customer service – orders fulfilled against orders placed,
- factory variances – actual performance against standard costs,
- quality monitoring – adherence to customer specifications,
- labour turnover and absence monitoring,
- working capital days – stock, trade debtors and creditors expressed as a ratio to sales and purchases, and
- Cash flow before financing - cash flow from operations of the Company after capital expenditure and tax

Financial risk management

The company's operations expose it to a number of financial risks that include the effect of changes in credit risk, price risk, liquidity risk and interest rate risk. The company has in place a risk management policy that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors do not delegate the responsibility of monitoring financial risk management to a sub committee of the Board. The policies set by the Board of Directors are implemented by the company's risk management and finance departments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before finance is granted. The company's risk management and underwriting sections are responsible for continually monitoring the credit risks associated with new and existing business.

Price risk

The company is exposed to increases in fuel costs through its distribution activities, and to raw material price increases, particularly the recent increases in wheat prices. The company closely monitors any changes in price and actively seeks to mitigate impacts through negotiations with both customers and suppliers. During the year there was minimal adverse impact on profitability as a result of price changes.

Liquidity risk

The company has access to committed and uncommitted bank credit lines and intra-group lending lines to ensure it has sufficient funds available for operations and any planned expansion.

Directors' report *(continued)*

Financial risk management *(continued)*

Interest rate risk

The company has minimal exposure to interest rate cash flow risk. Debts owing to Adelle Food Acquisitions Limited and other group undertakings are non-interest bearing, and carry fair value interest rate risk, however, the directors do not consider this risk to be significant.

Charitable and political donations

The company made charitable contributions of £1,028 (2008 £3,752). The company did not make any political donations (2008 £nil).

Employees

During the period, the company gave full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes when related to any suitable opportunities available. Company policy provides that existing employees who become disabled shall continue employment with the company if at all possible, subject to any appropriate retraining.

Training, career development and promotion apply equally to all employees, taking into consideration their aptitudes and abilities.

Matters of interest and concern are regularly circulated to employees. Meetings are held at various staff levels on a regular basis to discuss matters of mutual interest including financial and economic factors which affect the performance of the company and the view of employees are taken into account when making decisions which are likely to affect their interests.

Going concern

The directors have considered the company's financial position and future prospects, including its involvement in financing arrangements of the Adelle group, and having made appropriate enquiries are confident that the company has adequate resources to continue to meet its obligations for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

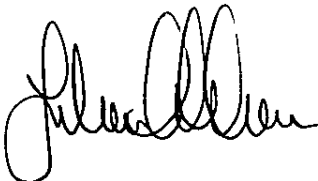
Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information, and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2007, the auditors will be deemed to be reappointed and will therefore continue in office.

By order of the board



J Momen
Director

1 London Wall
London
EC2Y 5AB

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Altius House
One North Fourth Street
Milton Keynes
MK9 1NE
United Kingdom

Independent auditors' report to the members of Brambles Foods Limited

We have audited the financial statements of Brambles Foods Limited for the year ended 3 October 2009 set out on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 3 October 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Brambles Foods Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

S Muncey

S. Muncey for and on behalf of KPMG LLP,
Senior Statutory Auditor
Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes MK9 1NE
United Kingdom

28 January 2010

Profit and loss account
for the year ended 3 October 2009

	<i>Note</i>	3 October 2009 £000	27 September 2008 £000
Turnover	2	24,942	25,730
Cost of sales		(15,558)	(15,607)
Gross profit		9,384	10,123
Distribution costs		(3,741)	(4,593)
Administration expenses		(5,277)	(3,368)
Operating profit	3-5	366	2,162
Other interest receivable and similar income	6	-	27
Other interest payable and similar charges	7	(7)	(11)
Profit on ordinary activities before taxation		359	2,178
Tax on profit on ordinary activities	8	(185)	(347)
Profit for the financial period	17	174	1,831

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses is presented

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

All operations are continuing

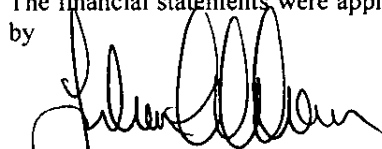
The notes on pages 10 to 19 form part of these financial statements

Balance sheet
at 3 October 2009

	<i>Notes</i>	2009 £000	2008 £000
Fixed assets			
Intangible assets	9	150	328
Tangible assets	10	1,428	1,772
		1,578	2,100
Current assets			
Stocks	11	623	590
Debtors	12	6,061	8,156
Cash at bank and in hand		3,132	1,045
		9,816	9,791
Creditors amounts falling due within one year	13	(3,788)	(5 218)
Net current assets		6,028	4,573
Total assets less current liabilities		7,606	6 673
Creditors amounts falling due after more than one year	14	(2,504)	(1,745)
Net assets		5,102	4,928
Capital and reserves			
Called up share capital	15	130	130
Profit and loss account	16	4,972	4 798
Shareholder's funds	17	5,102	4,928

The notes on pages 10 to 19 form part of these accounts

The financial statements were approved by the board of directors on 28 January 2010 and were signed on its behalf by



J Morren
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of the group headed by Adelle Food Holdings Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Adelle Food Holdings Limited, within which this Company is included, can be obtained from the address given in note 21

Going concern

The company has received undertakings from other group companies that repayment of amounts due to those companies will not be called upon for at least the next 12 months. In addition, the directors are satisfied that they will be able to obtain additional funding from the parent company or other group companies, if necessary, in order to enable the company to pay its external creditors as and when they fall due. During the year the Adelle Group has completed a refinancing of its bank facilities, reduced bank debt significantly, and secured material additional funding from its remaining lenders and investors. As a result the directors consider the company has access to sufficient cash resources in order to meet its liabilities as they fall due. The directors have carefully considered the financial position of the company, its projected trading performance and access to funds, including the expected compliance with Group covenants, and accordingly have prepared the financial statements on a going concern basis

Turnover

Turnover represents sales to outside customers at invoiced amounts, net of settlement discounts received and rebates and overrides payable to customers under volume discount arrangements. Revenue is recognised on delivery of goods when risk and rewards pass to customers

Goodwill

Purchased goodwill is capitalised and amortised on a straight-line basis over its estimated useful life of 5 years

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost

Depreciation is provided at rates calculated to write off the cost or revalued amount of each asset, except freehold land, on a straight line basis over its expected useful life. The expected useful lives of assets are as follows

Leasehold property	Over the shorter of the lease term and 50 years
Plant and machinery	3 - 25 years
Fixtures, fittings and equipment	3 - 15 years

Notes (continued)

1 Accounting policies (continued)

Impairment of fixed assets and goodwill

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount.

Leases and hire purchase contracts

Assets acquired under finance leases and hire purchase contracts, which are leases where substantially all the risk and rewards of ownership have passed to the company, are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element is charged to the profit and loss account on a straight line basis over the term of the agreement.

Operating lease rentals are charged to profit and loss account as incurred.

Stocks and Work in Progress

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. Provision for obsolete stock is assessed for each line of stock.

Provisions

Provisions are recognised when the company has a present obligation, as result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of that obligation can be made.

Where the effect of time value of money is material, the provision is discounted to present value of the expenditure expected to be required to settle the obligation.

Financial instruments

The company has adopted the presentation requirements of FRS25 "Financial Instruments: disclosure and presentation". The group applies the amortised cost model in accountancy for financial assets and liabilities, it has not adopted FRS26 "Financial instruments, recognition and measurement".

Taxation

The charge for taxation is based on the profit/ (loss) for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Prepayments and accrued income

Payments made to secure long term contracts are deferred within debtors and charged to the profit and loss account over the term of the contract. Accrued income, where contractually due, is credited to the profit and loss account as it is earned.

Pensions

Contributions payable for pension arrangements for employees which are in the nature of defined contribution schemes are charged to the profit and loss account as incurred.

Research and development

All costs relating to product development are written off as incurred. No research costs are incurred.

Notes (continued)

2 Turnover

The origination of all turnover is in the United Kingdom. Turnover represents amounts (excluding VAT) derived from the provision of goods to customers.

The directors are of the opinion that the company has only one class of business and therefore no further analysis of turnover, profit or assets is provided.

3 Profit on ordinary activities before taxation

	Year ended 3 October 2009 £000	Year ended 27 September 2008 £000
<i>Profit on ordinary activities before taxation is stated after charging /(crediting)</i>		
Auditors' remuneration		
Audit of these financial statements	18	19
Taxation	10	-
Depreciation and other amounts written off tangible fixed assets		
Depreciation of owned assets	535	474
Depreciation of leased assets	38	168
(Profit)/loss on disposal of fixed assets	(54)	10
Amortisation of goodwill	178	177
Operating lease rentals		
Plant and machinery	595	31
Other	387	338
	<u> </u>	<u> </u>

4 Remuneration of directors

No directors received remuneration for their services to this company during the year (2008 £nil)

5 Staff costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows

	Number of employees	
	Year ended 3 October 2009	Year ended 27 September 2008
Staff	355	354
Management	60	55
	<u> </u>	<u> </u>
	415	409
	<u> </u>	<u> </u>

Notes (continued)

5 Staff costs (continued)

The aggregate payroll costs of these persons were as follows

	Year ended 3 October 2009 £000	Year ended 27 September 2008 £000
Wages and salaries	5,896	6,080
Social security costs	511	517
Other pension costs	-	-
	<u>6,407</u>	<u>6,597</u>

6 Other interest receivable and similar income

	Year ended 3 October 2009 £000	Year ended 27 September 2008 £000
Bank interest	-	27
	<u>-</u>	<u>27</u>

7 Interest payable and similar charges

	Year ended 3 October 2009 £000	Year ended 27 September 2008 £000
Other interest	(5)	-
Hire purchase	(2)	(11)
	<u>(7)</u>	<u>(11)</u>

Notes (continued)

8 Taxation

	Year ended 3 October 2009 £000	Year ended 27 September 2008 £000
<i>UK corporation tax</i>		
Current tax on income for the period	268	438
	<hr/>	<hr/>
Total current tax	268	438
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination/reversal of timing differences	(188)	(163)
Adjustment in respect of previous periods	105	-
Removal of IBA s	-	72
	<hr/>	<hr/>
	(83)	(91)
	<hr/>	<hr/>
Tax on profit on ordinary activities	185	347
	<hr/>	<hr/>

The current tax charge for the year is higher (2008 lower) than the standard rate of corporation tax in the UK of 28% (2008 29%). Losses have been surrendered by other group companies for which no payment was made. A current tax reconciliation is provided below.

	Year ended 3 October 2009 £000	Year ended 27 September 2008 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	359	2,178
	<hr/>	<hr/>
Current tax at 28% (2008 29%)	100	632
	<hr/>	<hr/>
<i>Effects of</i>		
Capital allowances for period in excess of depreciation	139	100
Expenses not deductible for tax	53	2
Group relief not paid for	(87)	(362)
Impact of removal, of IBA s	-	72
Impact of change in tax rate	-	3
Transfer pricing adjustment	10	-
Adjustment in respect of previous periods	4	-
Other timing differences	49	(9)
	<hr/>	<hr/>
Total current tax charge (see above)	268	438
	<hr/>	<hr/>

Notes (continued)

8 Taxation (continued)

Deferred taxation

The elements of deferred taxation are as follows

	2009 £000	2008 £000
Difference between accumulated depreciation and amortisation and capital allowances	291	258
Short term timing differences	49	-
	<u>340</u>	<u>258</u>
Deferred tax asset (note 12)	<u>340</u>	<u>258</u>

9 Intangible fixed assets

	Goodwill £000
<i>Cost</i>	
At beginning and end of year	891
	<u>891</u>
<i>Amortisation</i>	
At beginning of year	563
Charge for the year	178
	<u>741</u>
At end of year	741
	<u>741</u>
<i>Net book value</i>	
At 3 October 2009	150
	<u>150</u>
At 27 September 2008	328
	<u>328</u>

Notes (continued)

10 Tangible fixed assets

	Short Leasehold property £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At beginning of year	301	496	3,265	4 062
Additions	-	-	303	303
Disposals	-	(289)	-	(289)
At end of year	301	207	3,568	4,076
Depreciation				
At beginning of year	258	320	1,712	2 290
Charged during the year	16	74	483	573
Released on disposal	-	(215)	-	(215)
At end of year	274	179	2 195	2,648
Net book value				
At 3 October 2009	27	28	1,373	1,428
At 27 September 2008	43	176	1,553	1 772

11 Stocks

	2009 £000	2008 £000
Raw materials and consumables	623	590

12 Debtors

	2009 £000	2008 £000
Trade debtors	3,351	3 935
Amounts owed by group undertakings	1,748	3,315
Other taxes and social security	-	89
Other debtors and prepayments	622	559
Deferred tax asset	340	258
	6,061	8,156

Notes (continued)

12 Debtors (continued)

The amounts owed by group undertakings are unsecured, are repayable on demand, and are non-interest bearing, however repayment will not be demanded in the foreseeable future and are therefore considered repayable after more than one year

13 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Trade creditors	1,903	3,460
Other taxes and social security	118	129
Corporation tax payable	55	-
Accruals and deferred income	1,712	1,491
Net obligations under finance lease and hire purchase	-	138
	<u>3,788</u>	<u>5,218</u>

14 Creditors: amounts falling due after more than one year

	2009 £000	2008 £000
Amounts payable to group undertakings	<u>2,504</u>	<u>1,745</u>

The amounts owed to the parent company and group undertakings are unsecured and are non-interest bearing. The company has received confirmation that repayment of the loan to the parent company will not be demanded for the foreseeable future.

15 Called up share capital

	2009 £000	2008 £000
<i>Authorised</i>		
1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
130,000 Ordinary shares of £1 each	<u>130</u>	<u>130</u>

Notes (continued)

16 Profit and loss account

	£000
At 27 September 2008	4,798
Profit for the year	174
	<hr/>
At 3 October 2009	4,972
	<hr/>

17 Reconciliation of movements in total shareholder's funds

	2009 £000	2008 £000
Opening shareholder's funds	4,928	3,097
Profit for the year	174	1 831
	<hr/>	<hr/>
At 3 October 2009	5,102	4,928
	<hr/>	<hr/>

18 Capital commitments

At 3 October 2009, the company had no capital commitments contracted but not provided for (2008 £nil)

19 Operating lease commitments

Annual commitments under operating leases which expire

	2009		2008	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Within one year	-	3	-	-
Within two to five years	-	90	-	-
Over five years	387	-	400	381
	<hr/>	<hr/>	<hr/>	<hr/>
	387	93	400	381
	<hr/>	<hr/>	<hr/>	<hr/>

20 Contingent liabilities

The company has granted unlimited composite cross-guarantees to other group companies in respect of bank borrowings. Details of the potential liability are documented in the group accounts. The bank holds a debenture over the whole of the assets of the company for all sums granted.

Notes *(continued)*

21 Ultimate Holding Company

The company's immediate parent company is Brambles Foods Group Limited, a company registered in England and Wales

The ultimate parent undertaking is Adelle Food Holdings Limited, a company registered in England and Wales. Copies of the consolidated financial statements of Adelle Food Holdings Limited can be obtained from the Company Secretary at One London Wall, London, EC2Y 5AB

The majority of Adelle Food Holdings Limited's voting shares are held by Duke Street General Partner Limited (on behalf of the Duke Street VI funds) and its co-investors. The directors consider that this entitles Duke Street General Partner Limited to have a controlling interest in the company