

# Newberry International Produce Limited

## FINANCIAL STATEMENTS

for the year ended

28 February 2003



# Newberry International Produce Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

A E Cooke Esq  
I C Brough Esq  
D P Thulborne esq

### SECRETARY

I C Brough Esq

### REGISTERED OFFICE

Newberry House  
New Street  
Ledbury  
Herefordshire  
HR8 2EJ

### AUDITORS

Baker Tilly  
Chartered Accountants  
Elgar House  
Holmer Road  
Hereford  
HR4 9SF

# Newberry International Produce Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Newberry International Produce Limited for the year ended 28 February 2003.

### PRINCIPAL ACTIVITIES

The principal activity of the company is that of trading in fruit and vegetables.

### REVIEW OF THE BUSINESS

#### Growth

The directors are pleased to report considerable growth during the year. The launch of Newberry Farm Foods, supplying farm shops, garden centres and special retail outlets, after a slow start, is now growing steadily and is contributing to the overall profitability of the company. The company profile was further enhanced by the acquisition of EMT Frozen foods in July 2002, adding a UK sorting, mixing, packing and storage facility.

#### 2003-2004

Prices for the current year are substantially higher than in the previous season due to significant fruit shortages. Providing we are able to source all requirements this, coupled with the additional sales resource, will ensure further profitable turnover growth.

EMT frozen foods will continue to operate as a separate profit centre. The factory is EFSIS approved (higher Level) and is contract packing for many of the UK supermarkets.

Newberry Farm Foods will be operated as a separate limited company from the 1st July 2003. The directors of the new company remain the same.

Profits for the last two or three years have been lower than the directors would have liked. We believe 2003-2004 will see a return to substantially more profitable operation.

### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

|                   | Ordinary Shares of £1 each |                    |
|-------------------|----------------------------|--------------------|
|                   | At<br>28 February 2003     | At<br>1 March 2002 |
| A E Cooke Esq     | 892                        | 900                |
| I C Brough Esq    | 108                        | 100                |
| D P Thulborne esq | 81                         | —                  |

### 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, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# Newberry International Produce Limited

## DIRECTORS' REPORT

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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 requirements of 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.

### AUDITORS

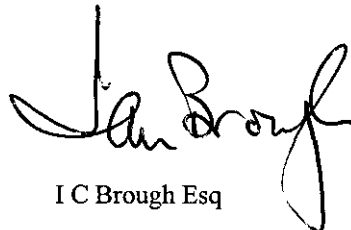
A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
Newberry House  
New Street  
Ledbury  
Herefordshire  
HR8 2EJ

By order of the board



I C Brough Esq

Company Secretary

28 July 2003

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWBERRY INTERNATIONAL PRODUCE LIMITED

We have audited the financial statements on pages 6 to 13.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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.

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 with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

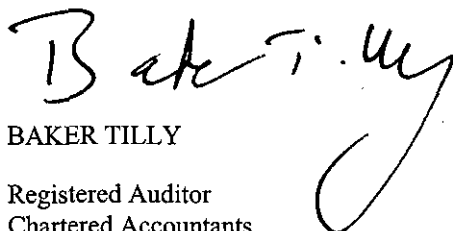
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
NEWBERRY INTERNATIONAL PRODUCE LIMITED (continued)

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 28 February 2003 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor  
Chartered Accountants  
Elgar House  
Holmer Road  
Hereford  
HR4 9SF

1 August 2003

# Newberry International Produce Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 28 February 2003

|   | <i>Notes</i> | 2003<br>£          | 2002<br>£          |
|---|--------------|--------------------|--------------------|
| TURNOVER                                      |              | 6,081,959          | 4,385,713          |
| Cost of sales                                 |              | <u>(5,493,926)</u> | <u>(4,117,596)</u> |
| Gross profit                                  |              | 588,033            | 268,117            |
| Administrative expenses                       |              | (527,301)          | (264,958)          |
| Other operating income                        | 2            | <u>—</u>           | <u>2,500</u>       |
| OPERATING PROFIT                              | 3            | 60,732             | 5,659              |
| Interest receivable                           | 5            | 7,177              | 26,943             |
| Interest payable                              |              | <u>(23,299)</u>    | <u>(26,366)</u>    |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION |              | 44,610             | 6,236              |
| Taxation                                      | 6            | <u>(9,743)</u>     | <u>(439)</u>       |
| RETAINED PROFIT FOR THE FINANCIAL YEAR        |              | <u>34,867</u>      | <u>5,797</u>       |

# Newberry International Produce Limited

## BALANCE SHEET

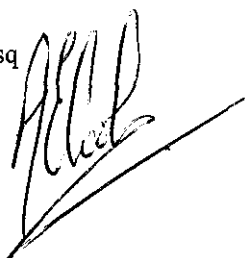
28 February 2003

|   | Notes | £                  | 2003<br>£      | 2002<br>£          |
|---|-------|--------------------|----------------|--------------------|
| <b>FIXED ASSETS</b>                           |       |                    |                |                    |
| Tangible assets                               | 7     |                    | 100,037        | <u>14,069</u>      |
| <b>CURRENT ASSETS</b>                         |       |                    |                |                    |
| Stocks  |       | 430,235            |                | 213,178            |
| Debtors                                       | 8     | 1,024,875          |                | 1,017,313          |
| Cash at bank and in hand                      |       | 10,360             |                | <u>7,855</u>       |
|   |       | <u>1,465,470</u>   |                | <u>1,238,346</u>   |
| <b>CREDITORS</b>                              |       |                    |                |                    |
| Amounts falling due within one year           | 9     | <u>(1,170,184)</u> |                | <u>(1,066,345)</u> |
| <b>NET CURRENT ASSETS</b>                     |       |                    | <u>295,286</u> | <u>172,001</u>     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>  |       |                    | <u>395,323</u> | <u>186,070</u>     |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b> |       |                    |                |                    |
| Deferred taxation                             | 10    |                    | <u>(6,273)</u> | <u>(1,862)</u>     |
|   |       |                    | <u>389,050</u> | <u>184,208</u>     |
| <b>CAPITAL AND RESERVES</b>                   |       |                    |                |                    |
| Called up equity share capital                | 13    |                    | 1,081          | 1,000              |
| Share premium account                         | 14    |                    | 228,900        | 59,006             |
| Profit and loss account                       | 15    |                    | <u>159,069</u> | <u>124,202</u>     |
| <b>SHAREHOLDERS' FUNDS</b>                    |       |                    | <u>389,050</u> | <u>184,208</u>     |

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 28/7/03 and are signed on their behalf by:

A E Cooke Esq  
Director



# Newberry International Produce Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2003

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### 1 ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### CASH FLOW STATEMENT

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

#### TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### FIXED ASSETS

All fixed assets are initially recorded at cost.

#### DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                   |                 |
|-------------------|-----------------|
| Plant & Machinery | - 15% per annum |
| Motor Vehicles    | - 25% per annum |
| Equipment         | - 20% per annum |

#### STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

# Newberry International Produce Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2003

### 1 ACCOUNTING POLICIES *(continued)*

#### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### FOREIGN CURRENCIES

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

### 2 OTHER OPERATING INCOME

|                        | 2003     | 2002         |
|------------------------|----------|--------------|
|                        | £        | £            |
| Other operating income | <u>—</u> | <u>2,500</u> |

### 3 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

|  | 2003           | 2002            |
|--|----------------|-----------------|
|  | £              | £               |
| Staff pension contributions                | 7,586          | 6,407           |
| Depreciation                               | 19,940         | 3,659           |
| Auditors' fees                             | 4,500          | 3,500           |
| Net profit on foreign currency translation | <u>(2,690)</u> | <u>(25,960)</u> |

### 4 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

|                      | 2003          | 2002          |
|----------------------|---------------|---------------|
|                      | £             | £             |
| Aggregate emoluments | <u>72,285</u> | <u>67,826</u> |

The number of directors who are accruing benefits under company pension schemes was as follows:

|                        | 2003     | 2002     |
|------------------------|----------|----------|
|                        | No       | No       |
| Money purchase schemes | <u>3</u> | <u>2</u> |

# Newberry International Produce Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2003

### 5 INTEREST RECEIVABLE

|                                | 2003         | 2002          |
|--------------------------------|--------------|---------------|
|                                | £            | £             |
| Other loan interest receivable | 1,534        | 13,849        |
| Interest received on debtors   | 5,643        | 13,094        |
|                                | <u>7,177</u> | <u>26,943</u> |

### 6 TAX ON PROFIT ON ORDINARY ACTIVITIES

|  | 2003         | 2002           |
|--|--------------|----------------|
|  | £            | £              |
| Current tax:   |              |                |
| In respect of the year:  |              |                |
| UK Corporation tax based on the results for the year at 19% (2002 - 20%) | 4,500        | 999            |
| Over/under provision in prior year                                       | 832          | (2,422)        |
| Total current tax  | <u>5,332</u> | <u>(1,423)</u> |
| Deferred tax:  |              |                |
| Increase in deferred tax provision                                       | 4,411        | 1,862          |
| Tax on profit on ordinary activities                                     | <u>9,743</u> | <u>439</u>     |

### 7 TANGIBLE FIXED ASSETS

|                     | Plant,<br>Machinery &<br>Equipment | Motor Vehicles | Equipment     | Total          |
|---------------------|------------------------------------|----------------|---------------|----------------|
|                     | £                                  | £              | £             | £              |
| Cost                |                                    |                |               |                |
| At 1 March 2002     | —                                  | 3,000          | 24,159        | 27,159         |
| Additions           | 92,963                             | 3,131          | 10,435        | 106,529        |
| Disposals           | (621)                              | —              | —             | (621)          |
| At 28 February 2003 | <u>92,342</u>                      | <u>6,131</u>   | <u>34,594</u> | <u>133,067</u> |
| Depreciation        |                                    |                |               |                |
| At 1 March 2002     | —                                  | 1,313          | 11,777        | 13,090         |
| Charge for the year | 13,851                             | 1,204          | 4,885         | 19,940         |
| At 28 February 2003 | <u>13,851</u>                      | <u>2,517</u>   | <u>16,662</u> | <u>33,030</u>  |
| Net book value      |                                    |                |               |                |
| At 28 February 2003 | <u>78,491</u>                      | <u>3,614</u>   | <u>17,932</u> | <u>100,037</u> |
| At 28 February 2002 | <u>—</u>                           | <u>1,687</u>   | <u>12,382</u> | <u>14,069</u>  |

Future capital commitments

There were no future capital commitments at 28 February 2002 (2001 - £Nil).

# Newberry International Produce Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2003

### 8 DEBTORS

|               | 2003             | 2002             |
|---------------|------------------|------------------|
|               | £                | £                |
| Trade debtors | 923,801          | 795,884          |
| Other debtors | 101,074          | 221,429          |
|               | <u>1,024,875</u> | <u>1,017,313</u> |

### 9 CREDITORS: Amounts falling due within one year

|                                    | 2003             | 2002             |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Bank loans and overdrafts          | 423,523          | 315,653          |
| Trade creditors                    | 711,954          | 725,743          |
| Corporation tax                    | 4,503            | 999              |
| Other taxation and social security | 12,407           | 4,488            |
| Other creditors                    | 17,797           | 19,462           |
|                                    | <u>1,170,184</u> | <u>1,066,345</u> |

The following liabilities disclosed under creditors falling due within one year are secured by the company:

|                           | 2003           | 2002           |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| Bank loans and overdrafts | <u>410,163</u> | <u>315,653</u> |

The bank loans and overdraft are repayable on demand and are secured by a fixed and floating charge over all current and future assets of the company.

### 10 DEFERRED TAXATION

|  | 2003         |
|--|--------------|
|  | £            |
| The movement in the deferred taxation provision during the year was: |              |
| Provision brought forward  | 1,862        |
| Profit and Loss Account movement arising during the year             | 4,411        |
| Provision carried forward  | <u>6,273</u> |

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

|   | 2003         | 2002         |
|---|--------------|--------------|
|   | £            | £            |
| Excess of taxation allowances over depreciation on fixed assets | 6,273        | 1,862        |
|   | <u>6,273</u> | <u>1,862</u> |

# Newberry International Produce Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2003

### 11 COMMITMENTS UNDER OPERATING LEASES

At 28 February 2003 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

|                                | 2003<br>£     | 2002<br>£     |
|--------------------------------|---------------|---------------|
| Operating leases which expire: |               |               |
| Within 1 year                  | 3,950         | 4,880         |
| Within 2 to 5 years            | 6,867         | 15,082        |
|                                | <u>10,817</u> | <u>19,962</u> |

### 12 RELATED PARTY TRANSACTIONS

During the year rental payments to the value of £13,300 (2002 - £8,470) and property services costs of £22,840 (2002 - £nil) were made by the company to the B & C Properties partnership which consists of I C Brough Esq and A E Cooke Esq (both directors of Newberry International Produce Limited).

At the year end I Brough had loaned the company £Nil (£16,112) and A Cooke had loaned the company £Nil (2002: £Nil)

At 28 February 2003 the loan of £41,466 (2002: £41,466) to Outside Eyes limited, a company with common directors remained outstanding. The company recharged Outside Eyes Limited for Motor & travel expenses amounting to £nil (2002 £1,500)

### 13 SHARE CAPITAL

|   | 2003<br>£      | 2002<br>£      |
|---|----------------|----------------|
| Authorised:                                     |                |                |
| 100,000 Ordinary shares of £1 each              | <u>100,000</u> | <u>100,000</u> |
|   |                |                |
|   | 2003<br>£      | 2002<br>£      |
| Allotted, called up and fully paid:             |                |                |
| 1,081 (2002 - 1,000) Ordinary shares of £1 each | <u>1,081</u>   | <u>1,000</u>   |

### 14 SHARE PREMIUM ACCOUNT

|                                      | 2003<br>£      | 2002<br>£     |
|--------------------------------------|----------------|---------------|
| At 1 March 2002                      | 59,006         | 59,006        |
| Premium on shares issued in the year | 169,894        | —             |
| At 28 February 2003                  | <u>228,900</u> | <u>59,006</u> |

# Newberry International Produce Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2003

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### 15 PROFIT AND LOSS ACCOUNT

|  | 2003           | 2002           |
|--|----------------|----------------|
|  | £              | £              |
| At 1 March 2002                        | 124,202        | 118,405        |
| Retained profit for the financial year | <u>34,867</u>  | <u>5,797</u>   |
| At 28 February 2003                    | <u>159,069</u> | <u>124,202</u> |