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Registration Number 4584241

Freshcut Foods Limited

Abbreviated Accounts

Year Ended 31st March 2005



**Auditors' Report to Freshcut Foods Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 2 to 4 together with the financial statements of Freshcut Foods Limited for the year ended 31st March 2005 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31st March 2005, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



**Phipp & Co (Accountants) Limited
Chartered Accountants and
Registered Auditor**

13 June 2005

**6 Nottingham Road
Long Eaton
Nottingham
NG10 1HP**

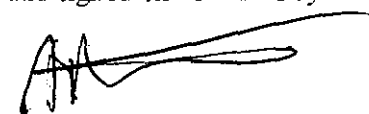
Freshcut Foods Limited

Abbreviated Balance Sheet as at 31st March 2005

		2005		2004	
	Notes	£	£	£	£
Fixed Assets					
Intangible assets	2		149,367		157,642
Tangible assets	2		259,638		246,884
			<u>409,005</u>		<u>404,526</u>
Current Assets					
Stocks		49,465		28,813	
Debtors		147,730		107,651	
Cash at bank and in hand		8,025		27,388	
		<u>205,220</u>		<u>163,852</u>	
Creditors: amounts falling due within one year		<u>(631,510)</u>		<u>(658,417)</u>	
Net Current Liabilities			<u>(426,290)</u>		<u>(494,565)</u>
Total Assets Less Current Liabilities			<u>(17,285)</u>		<u>(90,039)</u>
Creditors: amounts falling due after more than one year			<u>(10,714)</u>		<u>(24,849)</u>
Deficiency of Assets			<u>(27,999)</u>		<u>(114,888)</u>
Capital and Reserves					
Called up share capital	3		60,000		60,000
Profit and loss account			<u>(87,999)</u>		<u>(174,888)</u>
Shareholders' Funds			<u>(27,999)</u>		<u>(114,888)</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The abbreviated accounts were approved by the Board on 13 June 2005 and signed on its behalf by



A. Clarke
Director

The notes on pages 3 to 4 form an integral part of these financial statements.

Freshcut Foods Limited

Notes to the Abbreviated Financial Statements for the year ended 31st March 2005

1. Accounting Policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	3 - 10 years
Fixtures, fittings and equipment	-	25% on cost
Motor vehicles	-	25% on cost

The estimated useful life for certain items of plant and equipment has been increased to 10 years from 5 years. The directors believe that this fairly reflects the useful life of these assets and that it would be appropriate to depreciate them over 10 years. The effect of this change is to reduce the depreciation charge for the year by £23,386.

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6. Stock

Stock is valued at the lower of cost, including processing costs, and net realisable value.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

Freshcut Foods Limited

Notes to the Abbreviated Financial Statements for the year ended 31st March 2005

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1.8. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Fixed assets

	Intangible assets £	Tangible fixed assets £	Total £
Cost			
At 1st April 2004	165,508	285,768	451,276
Additions	-	66,954	66,954
At 31st March 2005	<u>165,508</u>	<u>352,722</u>	<u>518,230</u>
Depreciation and Provision for diminution in value			
At 1st April 2004	7,866	38,884	46,750
Charge for year	8,275	54,200	62,475
At 31st March 2005	<u>16,141</u>	<u>93,084</u>	<u>109,225</u>
Net book values			
At 31st March 2005	<u>149,367</u>	<u>259,638</u>	<u>409,005</u>
At 31st March 2004	<u>157,642</u>	<u>246,884</u>	<u>404,526</u>

3. Share capital

	2005 £	2004 £
Authorised		
60 Ordinary A shares of £1 each	60	60
40 Ordinary B shares of £1 each	40	40
59,900 Preference shares of £1 each	59,900	59,900
	<u>60,000</u>	<u>60,000</u>
Allotted, called up and fully paid		
60 Ordinary A shares of £1 each	60	60
40 Ordinary B shares of £1 each	40	40
59,900 Preference shares of £1 each	59,900	59,900
	<u>60,000</u>	<u>60,000</u>