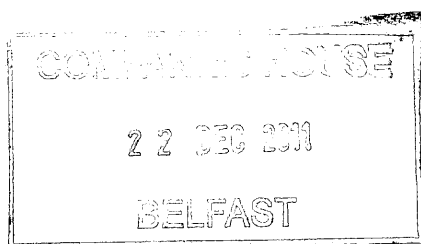


Registration number NI047142

Knysna (N.I.) Limited

Abbreviated accounts

for the year ended 31 March 2011



THURSDAY



J0OP0MOY
JNI 22/12/2011 #13
COMPANIES HOUSE

**Cavanagh Kelly
Chartered Accountants
& Registered Auditors**

Financial Statements for the year ended 31 March 2011

Contents

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 - 18

Directors' report for the year ended 31 March 2011

The directors present their report and the accounts for the year ended 31 March 2011.

Principal activity and review of the business

The principal activity of the Company continues to be the manufacture and distribution of sauces and other related products.

Business review

The directors wish to present a comprehensive review of the company's performance during the year and its position as at 31 March 2011. Our review is written in the context of the risks and uncertainties we face. The directors consider the key performance indicators to be those that communicate the financial performance of the Company, namely turnover, gross profit margin and operating profit.

Turnover remained consistent in the year as the business environment in which the company operates is very challenging, especially in the Republic of Ireland. Margins have declined due to some reductions in prices and increases in the costs of raw materials. Despite the decrease in gross profit margin, the company has generated an operating profit of £1,194,341.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

Financial risk management objectives and policies

As for many businesses this size, the environment in which the company trades continues to be challenging. The key business risks and uncertainties affecting the company are considered to be the general downturn in customer spending and competition from other suppliers. The directors will continue to work closely with customers, suppliers and its bankers so as to manage the company's business and control costs effectively through these challenging times.

Directors

The directors who served during the year are as stated below:

Trevor Kells
Derek Doherty
Michael Haddock

Charitable Donations

During the year the company contributed £8,620 to charities. A total of £4,870 was donated to local charities and the remainder donated to other charitable organisations.

Statement of directors' responsibilities

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

Directors' report for the year ended 31 March 2011

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In so far as the directors are aware:

- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Cavanagh|Kelly were appointed auditors to the Company and are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on 16 December 2011 and signed on its behalf by



Peter Doherty
Secretary

**Independent auditors' report to Knysna (N.I.) Limited
under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 4 to 18 together with the financial statements of Knysna (N.I.) Limited for the year ended 31 March 2011 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

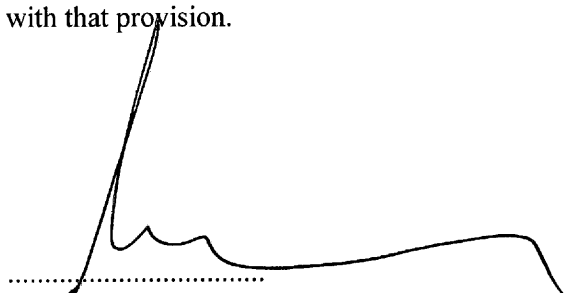
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

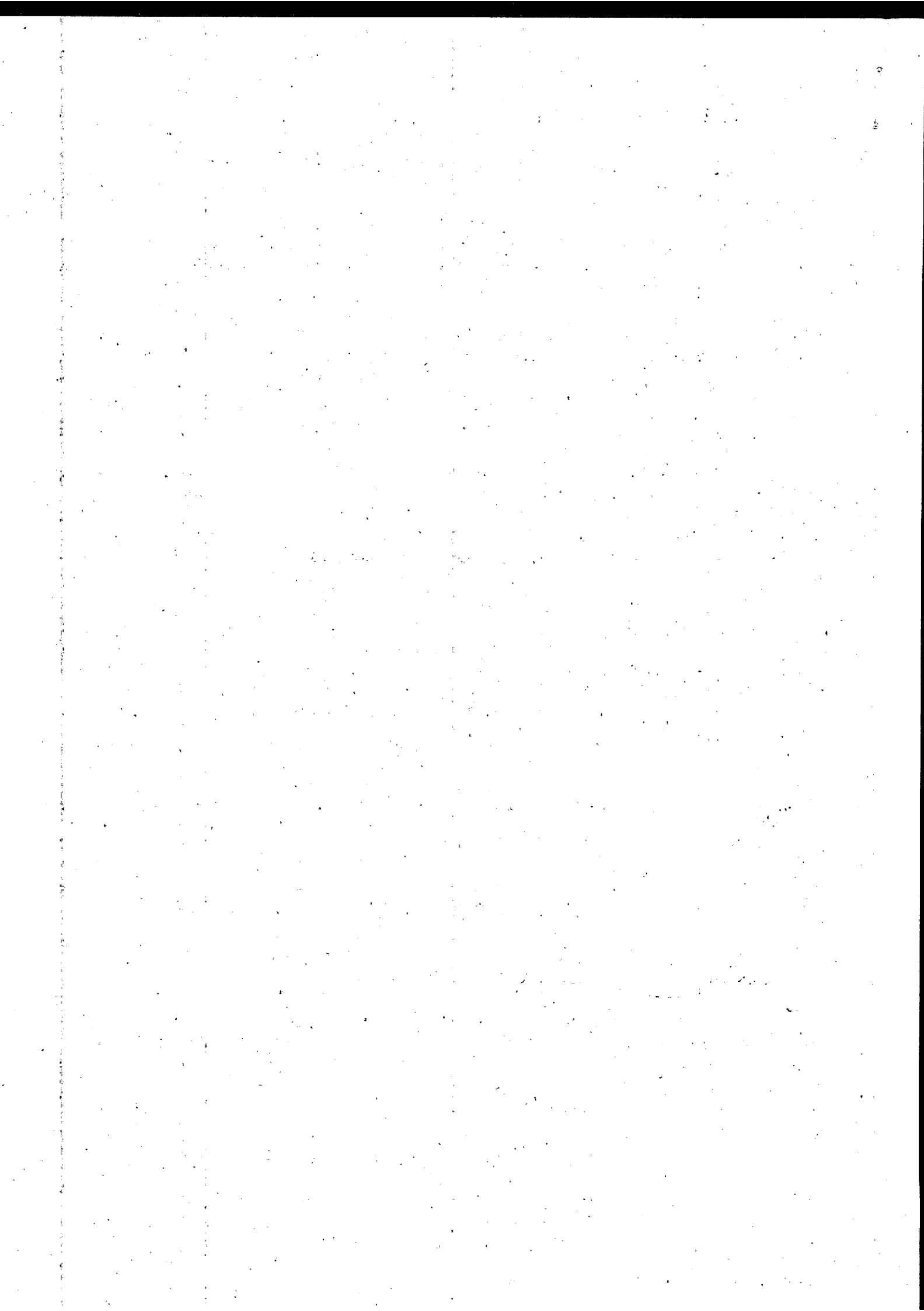
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with that provision.



.....
Mr. Des Kelly (Senior Statutory Auditor)
For and on behalf of Cavanagh|Kelly
Chartered Accountants
& Registered Auditors

16 December 2011

Scottish Provident Buildings
7 Donegall Square West
Belfast
BT1 6JH



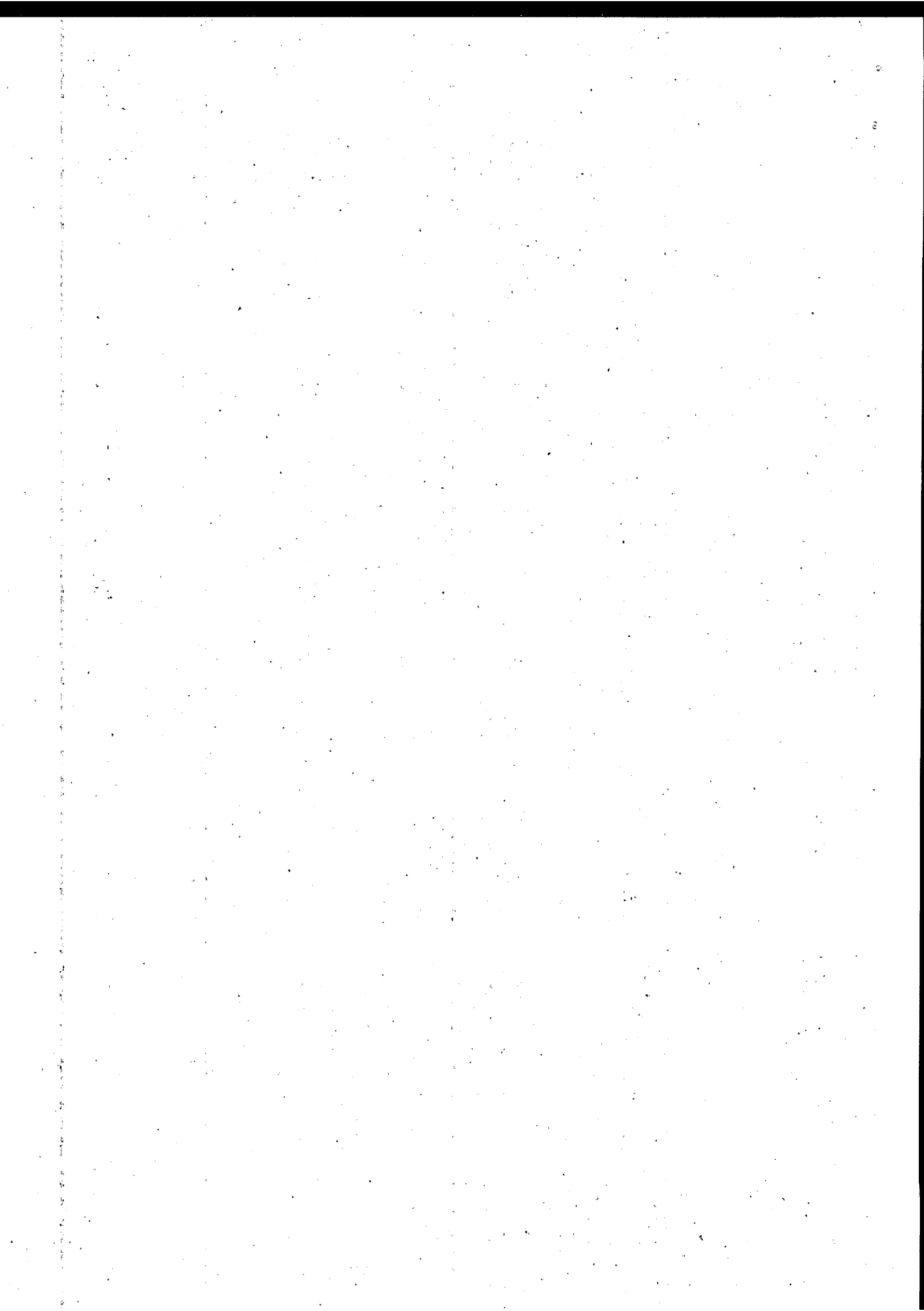
Knysna (N.I.) Limited

Abbreviated profit and loss account for the year ended 31 March 2011

		Continuing operations	
		2011	2010
	Notes	£	£
Gross profit		2,888,303	2,960,879
Administrative expenses		(1,693,962)	(1,975,983)
Operating profit	2	1,194,341	984,896
Other interest receivable and similar income	3	3,056	-
Interest payable and similar charges	4	(251,250)	(279,111)
Profit on ordinary activities before taxation		946,147	705,785
Tax on profit on ordinary activities	7	(332,023)	(263,983)
Profit for the year	16	614,124	441,802

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 18 form an integral part of these financial statements.



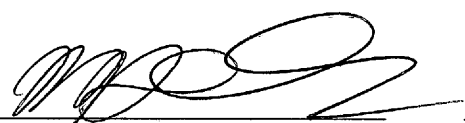
Knysna (N.I.) Limited


**Abbreviated balance sheet
as at 31 March 2011**

		2011		2010	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		1,610,657		1,969,087
Current assets					
Stocks	10	567,574		573,791	
Debtors	11	1,731,070		1,505,533	
Cash at bank and in hand		271,908		188,306	
		<u>2,570,552</u>		<u>2,267,630</u>	
Creditors: amounts falling due within one year	12	<u>(1,447,309)</u>		<u>(1,707,332)</u>	
Net current assets			<u>1,123,243</u>		<u>560,298</u>
Total assets less current liabilities			2,733,900		2,529,385
Creditors: amounts falling due after more than one year	13		(10,248,841)		(10,605,664)
Provisions for liabilities	14		<u>(234,672)</u>		<u>(287,458)</u>
Deficiency of assets			<u>(7,749,613)</u>		<u>(8,363,737)</u>
Capital and reserves					
Called up share capital	15		2		2
Profit and loss account	16		<u>(7,749,615)</u>		<u>(8,363,739)</u>
Shareholders' funds	17		<u>(7,749,613)</u>		<u>(8,363,737)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Section 445(3) of the Companies Act 2006 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on 16 December 2011 and signed on its behalf by


Michael Haddock
Director

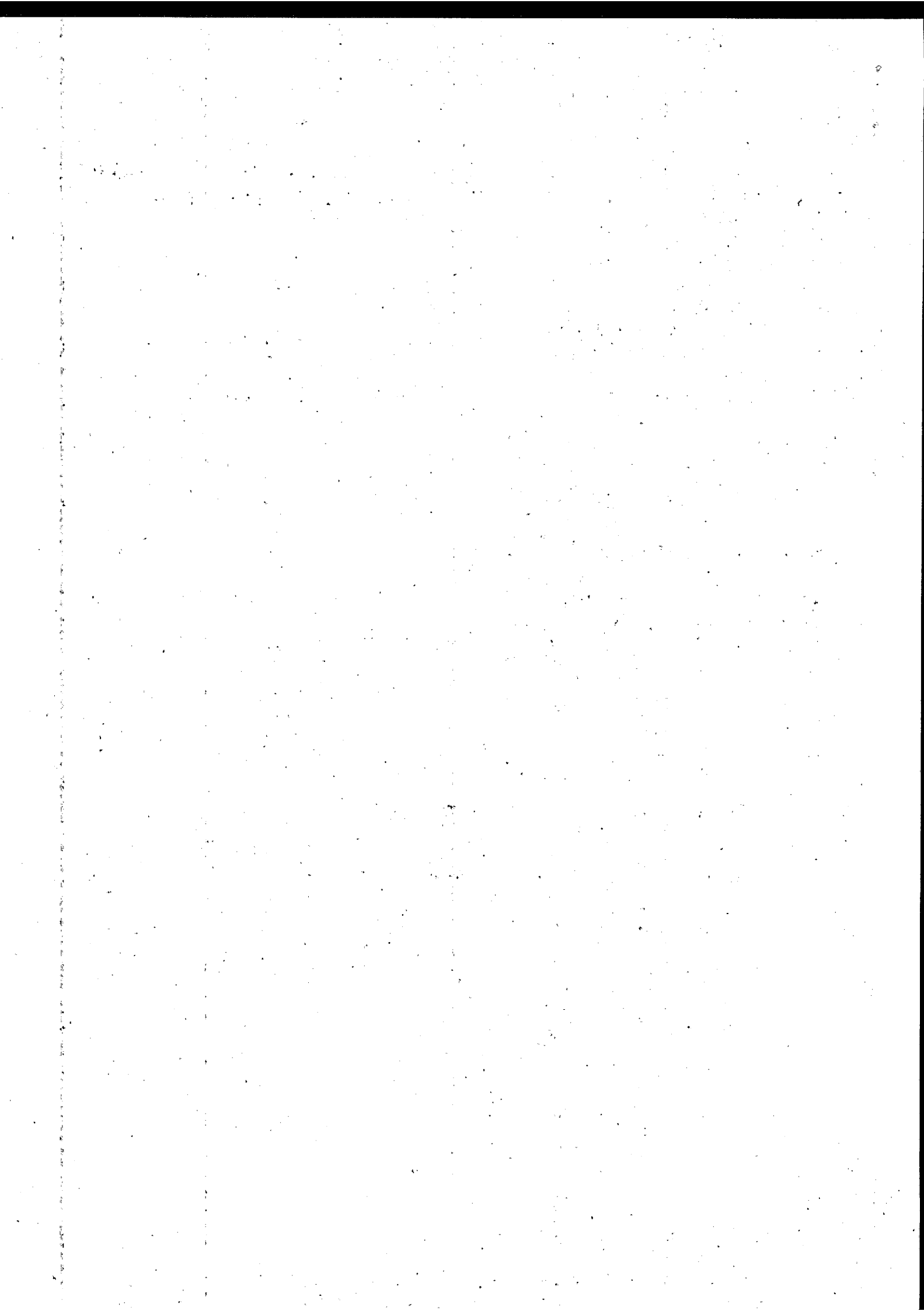

Trevor Kells
Director

Registration number NI047142

The notes on pages 7 to 18 form an integral part of these financial statements.

**Cash flow statement
for the year ended 31 March 2011**

	Notes	2011 £	2010 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,194,341	984,896
Depreciation and loss on disposal		427,969	441,913
Decrease in stocks		6,217	(145,059)
(Increase) in debtors		(225,537)	81,957
(Decrease) in creditors		(381,538)	277,614
Net cash inflow from operating activities		<u>1,021,452</u>	<u>1,641,321</u>
Cash flow statement			
Net cash inflow from operating activities		1,021,452	1,641,321
Returns on investments and servicing of finance	21	(36,444)	(59,097)
Taxation	21	(532,418)	-
Capital expenditure	21	(56,039)	(32,587)
		<u>396,551</u>	<u>1,549,637</u>
Financing	21	(297,762)	(1,055,923)
Increase in cash in the year		<u>98,789</u>	<u>493,714</u>
Reconciliation of net cash flow to movement in net funds (Note 22)			
Increase in cash in the year		98,789	493,714
Cash outflow from decrease in debts and lease financing		284,262	1,032,956
Change in net funds resulting from cash flows		383,051	1,526,670
Net debt at 1 April 2010		<u>(2,123,970)</u>	<u>(3,650,640)</u>
Net debt at 31 March 2011		<u>(1,740,919)</u>	<u>(2,123,970)</u>



Notes to the abbreviated financial statements for the year ended 31 March 2011

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

1.2. Turnover

The turnover shown in the profit and loss account represents amounts received or receivable for goods and services provided in the normal course of business, exclusive of Value Added Tax.

1.3. Tangible fixed assets and depreciation

All Fixed Assets are initially recorded at cost.

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

Land and buildings	-	4% straight line
Plant and machinery	-	10% straight line
Fixtures, fittings and equipment	-	15% straight line
Motor vehicles	-	25% straight line
Office Equipment	-	33% straight line

1.4. 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 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.

1.5. Stock

Stocks are stated at the lower of cost and net realisable value. Cost in respect of finished goods represents direct materials, direct labour and a proportion of appropriate overheads. Net realisable value is the price at which the stock can be realised in the normal course of business. provision is made where necessary for obsolete, slow moving and defective stock.

1.6. Pensions

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

Notes to the abbreviated financial statements for the year ended 31 March 2011

..... continued

1.7. Taxation

Corporation Tax is calculated on the results for the year. Tax deferred as a result of timing differences between accounting and taxable profits is provided for in full in respect of deferred tax liabilities. Such provision or recognition is made at the taxation rates at which the differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

1.8. Going concern

The accounts have been prepared on a going concern basis. The Balance Sheet shows a deficiency of assets that can be primarily attributed to loan note capital and interest due to the company directors. However, the directors remain committed to the success of the business and it is for this reason that the directors feel that the company does not have any going concern issues.

2. Operating profit	2011	2010
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	426,025	439,803
Loss on disposal of tangible fixed assets	1,944	2,110
Operating lease rentals		
- Motor vehicles	10,128	9,294
	<u> </u>	<u> </u>
and after crediting:		
Government grants	58,510	4,746
	<u> </u>	<u> </u>
3. Interest receivable and similar income	2011	2010
	£	£
Bank interest	3,056	-
	<u> </u>	<u> </u>
4. Interest payable and similar charges	2011	2010
	£	£
Bank loans and overdrafts	25,819	32,266
Loan Note interest	211,750	224,015
Hire purchase interest	13,681	20,573
On overdue tax	-	2,257
	<u> </u>	<u> </u>
	251,250	279,111
	<u> </u>	<u> </u>

Notes to the abbreviated financial statements for the year ended 31 March 2011

..... continued

5. Employees

Number of employees	2011	2010
The average monthly numbers of employees (including the directors) during the year were:		
Production staff	20	19
Sales staff	15	14
Admin staff	14	14
	<u>49</u>	<u>47</u>
 Employment costs	 2011	 2010
	£	£
Wages and salaries	1,226,327	1,219,651
Social security costs	125,429	130,547
Pension costs	36,004	35,480
	<u>1,387,760</u>	<u>1,385,678</u>

5.1. Directors' remuneration

	2011	2010
	£	£
Remuneration and other emoluments	<u>208,689</u>	<u>205,263</u>

6. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions paid by the company and amounted to £36,004(2010-£35,480).

Notes to the abbreviated financial statements for the year ended 31 March 2011

..... continued

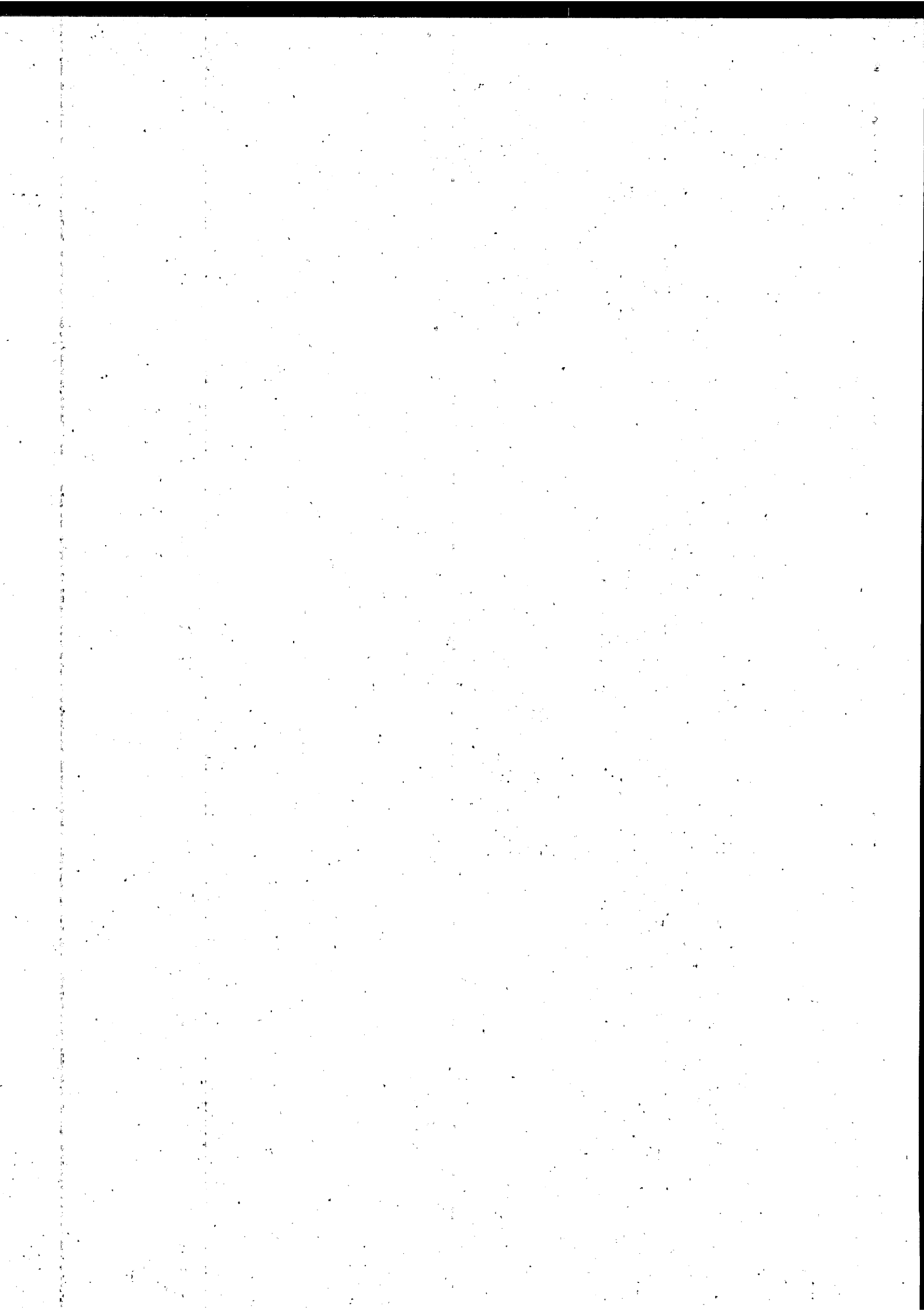
7. Tax on profit on ordinary activities

Analysis of charge in period	2011 £	2010 £
Current tax		
UK corporation tax	384,809	312,159
Total current tax charge	<u>384,809</u>	<u>312,159</u>
Deferred tax		
Timing differences, origination and reversal	(52,786)	(48,176)
Total deferred tax	<u>(52,786)</u>	<u>(48,176)</u>
Tax on profit on ordinary activities	<u>332,023</u>	<u>263,983</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (28.00 per cent). The differences are explained below:

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>946,147</u>	<u>705,785</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.00% (31 March 2010 : 28.00%)	264,921	197,620
Effects of:		
Expenses not deductible for tax purposes	14,092	5,484
Depreciation for period in excess of capital allowances	56,601	45,741
Loan note interest	59,291	62,724
Loss on disposal	544	590
R & D relief	(10,640)	-
Current tax charge for period	<u>384,809</u>	<u>312,159</u>



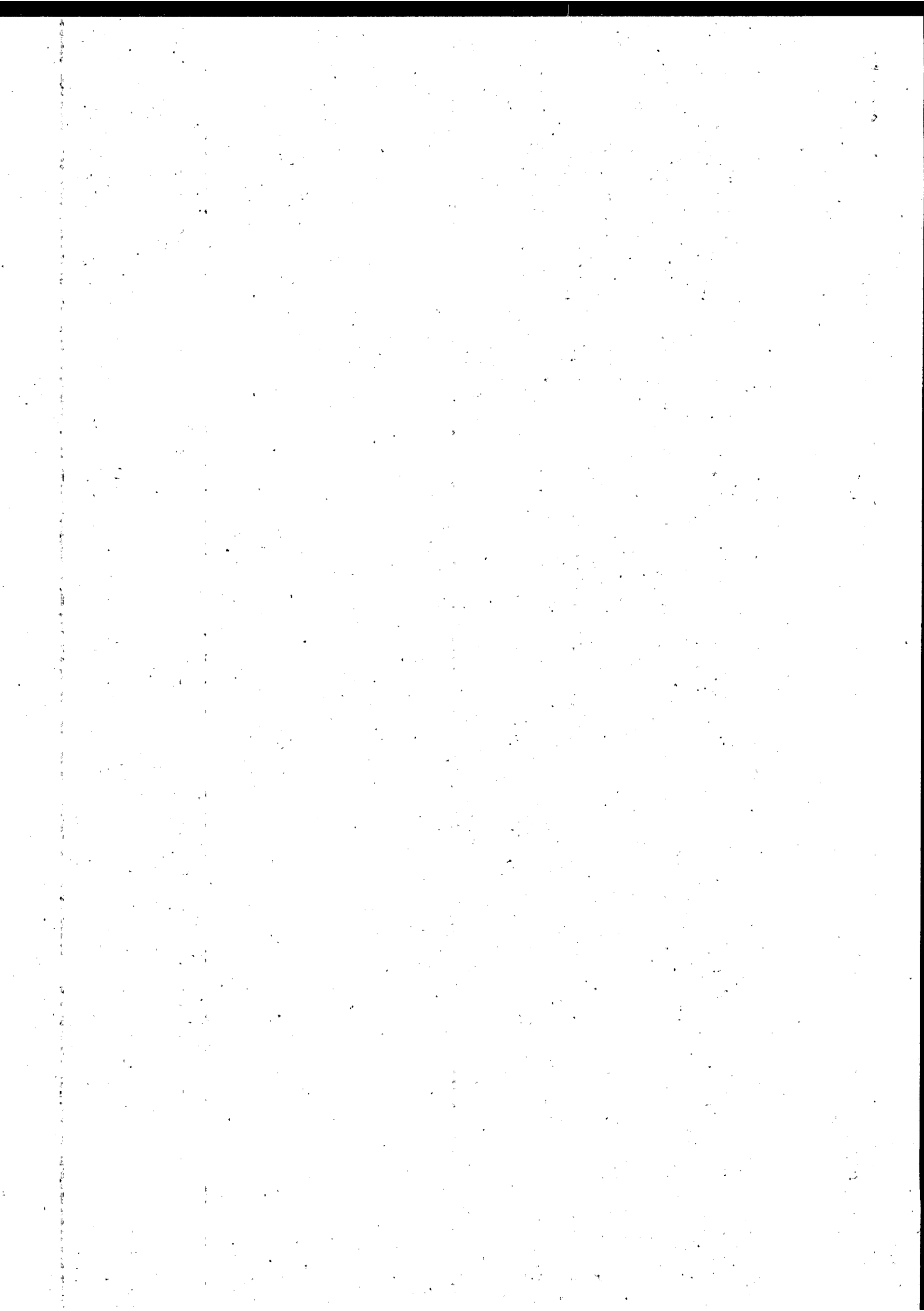
Notes to the abbreviated financial statements for the year ended 31 March 2011

..... continued

8. Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2010	8,802,100
At 31 March 2011	8,802,100
Amortisation	
At 1 April 2010	8,802,100
At 31 March 2011	8,802,100

9. Tangible fixed assets	Land and buildings adaptations £	Investment £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Office Equipment £	Total £
Cost							
At 1 April 2010	112,222	100	3,326,912	269,992	209,709	203,519	4,122,454
Additions	-	-	48,021	-	13,500	10,118	71,639
Disposals	-	(100)	(6,860)	-	(22,162)	-	(29,122)
At 31 March 2011	112,222	-	3,368,073	269,992	201,047	213,637	4,164,971
Depreciation							
At 1 April 2010	23,777	-	1,592,718	217,182	137,431	182,259	2,153,367
On disposals	-	-	(2,916)	-	(22,162)	-	(25,078)
Charge for the year	4,489	-	334,823	34,525	36,669	15,519	426,025
At 31 March 2011	28,266	-	1,924,625	251,707	151,938	197,778	2,554,314
Net book values							
At 31 March 2011	83,956	-	1,443,448	18,285	49,109	15,859	1,610,657
At 31 March 2010	88,445	100	1,734,194	52,810	72,278	21,260	1,969,087



Notes to the abbreviated financial statements for the year ended 31 March 2011

..... continued

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2011		2010	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	366,962	64,337	470,339	52,260
Motor vehicles	34,158	17,341	51,908	21,542
	<u>401,120</u>	<u>81,678</u>	<u>522,247</u>	<u>73,802</u>
10. Stocks			2011 £	2010 £
Raw materials and consumables			261,044	312,920
Finished goods and goods for resale			306,530	260,871
			<u>567,574</u>	<u>573,791</u>
11. Debtors			2011 £	2010 £
Trade debtors			854,354	923,004
Amounts owed by related parties			773,293	476,939
Other debtors			74,295	95,996
Prepayments and accrued income			29,128	9,594
			<u>1,731,070</u>	<u>1,505,533</u>

Notes to the abbreviated financial statements for the year ended 31 March 2011

..... continued

12. Creditors: amounts falling due within one year	2011 £	2010 £
Bank overdraft	47,232	62,419
Bank loan	202,490	203,985
Net obligations under finance leases and hire purchase contracts	143,662	164,061
Trade creditors	374,688	438,886
Amounts owed to related parties	41,901	39,397
Corporation tax	383,058	530,667
Other taxes and social security costs	37,117	29,683
Other creditors	-	43,818
Accruals and deferred income	217,161	194,416
	<u>1,447,309</u>	<u>1,707,332</u>

The following liabilities disclosed above are secured by the company:

	£	£
Bank overdraft	47,232	62,419
Bank loan	202,490	203,985

Bank borrowings are secured by a fixed and floating charge over all company assets present and future and personal guarantees provided by the directors. This is supported by a legal charge over the factory and extension at 34 Jubilee Road Newtownards and also by a Circular Guarantee between Knysna (N.I.) Limited and a related party, Obars No. 1 LLP.

Notes to the abbreviated financial statements for the year ended 31 March 2011

..... continued

13. Creditors: amounts falling due after more than one year	2011 £	2010 £
Bank loan	1,572,757	1,696,899
Amounts owed to related parties	361,655	361,468
Loan Notes	8,267,743	8,362,385
Net obligations under finance leases and hire purchase contracts	46,686	184,912
	<u>10,248,841</u>	<u>10,605,664</u>

The following liabilities disclosed above are secured by the company:

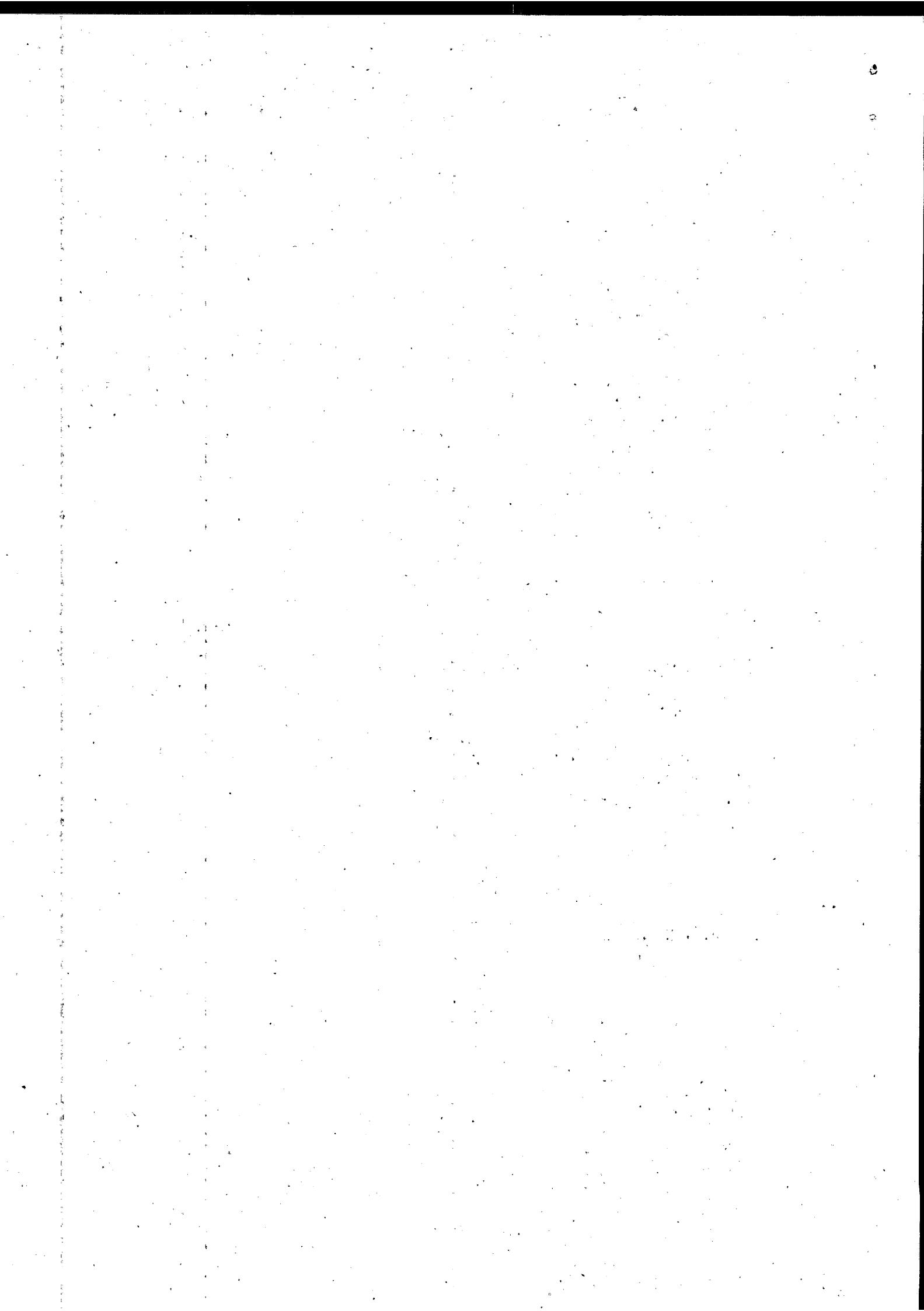
	£	£
Bank loan	1,572,757	1,696,899

The loan notes expired on 31 March 2011 at which point the directors agreed to extend the term of the loan notes until further notice. The notes are issued in amounts and multiples of £1 and rank pari passu with one another as a debt obligation of the Company.

Net obligations under finance leases and hire purchase contracts	£	£
Repayable within one year	143,662	164,061
Repayable between one and five years	46,686	184,912
	<u>190,348</u>	<u>348,973</u>

14. Provisions for liabilities

	Deferred taxation £
At 1 April 2010	287,458
Movements in the year	(52,786)
At 31 March 2011	<u>234,672</u>



Notes to the abbreviated financial statements for the year ended 31 March 2011

..... continued

15. Share capital	2011	2010
	£	£
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
16. Equity Reserves		Profit and loss account
		£
At 1 April 2010		(8,363,739)
Profit for the year		<u>614,124</u>
At 31 March 2011		<u>(7,749,615)</u>
17. Reconciliation of movements in shareholders' funds	2011	2010
	£	£
Profit for the year	614,124	441,802
Opening shareholders' funds	<u>(8,363,737)</u>	<u>(8,805,539)</u>
Closing shareholders' funds	<u>(7,749,613)</u>	<u>(8,363,737)</u>

18. Financial commitments

The company had no financial commitments at 31 March 2011 other than the hire purchase and loan agreements in place.

Notes to the abbreviated financial statements for the year ended 31 March 2011

..... continued

19. Related party transactions

Trevor Kells and Michael Haddock are directors and shareholders/members in the following organisations from which balances are outstanding at the year end:

Organisation	Place of registration	Balance Outstanding	
		2011	2010
		£	£
Ockenden & Associates Ltd	Republic of Ireland	13,645	31,348
Obarcs No 4 Ltd	United Kingdom	369,173	368,173
Obarcs No 1 LLP	United Kingdom	-	4,002
Provenance Salads Ltd	United Kingdom	37,565	30,442
Provenance Inc.	USA	154,845	42,974
Obarcs No 2 LLP	United Kingdom	2,650	-
Midas No. 3 LLP	United Kingdom	195,415	-
		<u>773,293</u>	<u>476,939</u>

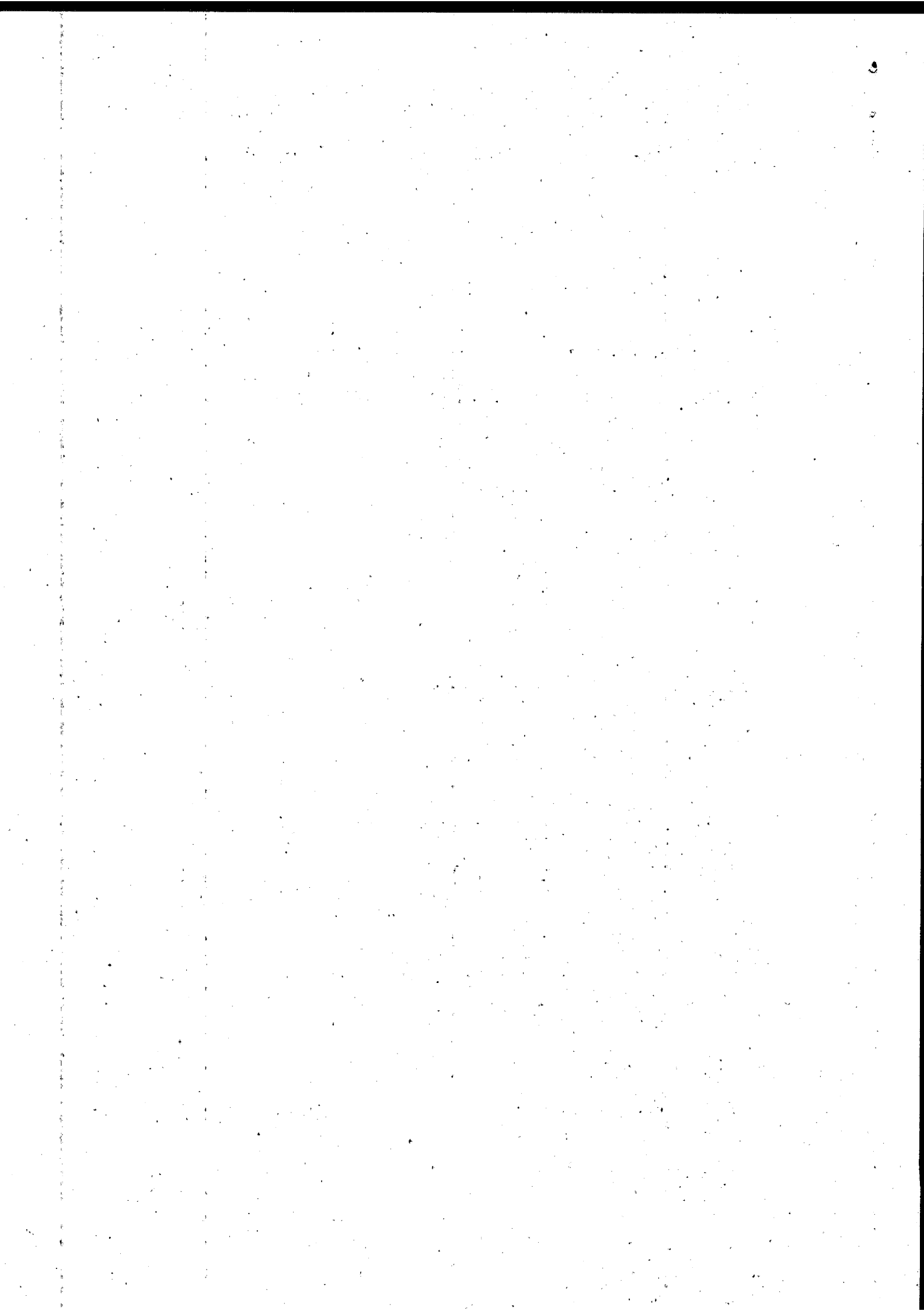
At the year end, amounts were due to the following companies in which Trevor Kells and Michael Haddock also serve as directors and shareholders;

Organisation	Place of registration	Balance outstanding	
		2011	2010
		£	£
GRS Distribution Ltd	United Kingdom	31,561	39,397
Midas Underwriting Ltd	United Kingdom	361,655	361,468
Ockenden & Associates Ltd	Republic of Ireland	10,340	-
		<u>403,556</u>	<u>400,865</u>

Knysna (N.I.) Limited had arm's length business transactions with GRS Distribution Ltd, Ockenden & Associates Ltd, Provenance Salads Ltd and Provenance Inc. throughout the year.

20. Ultimate parent undertaking

Knysna (NI) Limited is a wholly owned subsidiary of Knysna (Holdings) Ltd, a company registered in Northern Ireland.



Notes to the abbreviated financial statements for the year ended 31 March 2011

..... continued

21. Gross cash flows

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	3,056	-
Interest paid	(39,500)	(59,097)
	<u>(36,444)</u>	<u>(59,097)</u>
Taxation		
Corporation tax paid	<u>(532,418)</u>	<u>-</u>
Capital expenditure		
Payments to acquire tangible assets	(56,039)	(58,890)
Receipts from sales of tangible assets	-	26,303
	<u>(56,039)</u>	<u>(32,587)</u>
Financing		
New long term bank loan	-	1,610,894
Other new long term loans	-	3,359,583
New short term bank loan	-	203,985
Repayment of long term bank loan	(125,637)	(2,686,715)
Capital element of finance leases and hire purchase contracts	(172,125)	(184,087)
	<u>(297,762)</u>	<u>2,303,660</u>

Notes to the abbreviated financial statements for the year ended 31 March 2011

..... continued

22. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	188,306	83,602	271,908
Overdrafts	(62,419)	15,187	(47,232)
	<u>125,887</u>	<u>98,789</u>	<u>224,676</u>
Debt due within one year	(203,985)	1,495	(202,490)
Debt due after one year	(1,696,899)	124,142	(1,572,757)
Finance leases and hire purchase contracts	(348,973)	158,625	(190,348)
	<u>(2,249,857)</u>	<u>284,262</u>	<u>(1,965,595)</u>
Net funds	<u>(2,123,970)</u>	<u>383,051</u>	<u>(1,740,919)</u>

