

Company Registration No. SC037050 (Scotland)

WALTER BLACK FOODS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003



WALTER BLACK FOODS LIMITED

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WALTER BLACK FOODS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2003

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

Principal activities and review of the business

The company is involved in the manufacture of pickles, sauces, condiments etc., and in the factoring of other similar products.

Results and dividends

The results for the year are set out on page 5.

The directors recommend payment of a final dividend amounting to £1,500.

Directors

The following directors have held office since 1 October 2002:

Walter S Black
Flora Black
Walter C Black
Stuart S Black

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 September 2003	1 October 2002
Walter S Black	-	-
Flora Black	-	-
Walter C Black	-	-
Stuart S Black	-	-

The interests of Walter C Black and Stuart S Black in the ultimate holding company Walter Black (Holdings) Limited are disclosed in the accounts of that company.

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

The auditors, Wylie & Bisset, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

WALTER BLACK FOODS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

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 and then 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 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 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.

On behalf of the board

Walter C Black

Director

16 July 2004



WALTER BLACK FOODS LIMITED

INDEPENDENT AUDITORS' REPORT TO WALTER BLACK FOODS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 16, together with the financial statements of the company for the year ended 30 September 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B 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 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 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 are responsible for preparing the abbreviated accounts in accordance with section 246A 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 section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit 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 to be delivered 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 section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 16 are properly prepared in accordance with that provision.

Other information

On 16 July 2004 we reported, as auditors of WALTER BLACK FOODS LIMITED, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 September 2003, and our audit report was as follows:

"We have audited the financial statements of WALTER BLACK FOODS LIMITED on pages 5 to 16 for the year ended 30 September 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

WALTER BLACK FOODS LIMITED

INDEPENDENT AUDITORS' REPORT TO WALTER BLACK FOODS LIMITED (CONTINUED) UNDER SECTION 247B OF THE COMPANIES ACT 1985

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

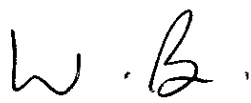
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates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

Qualified opinion arising from stock

The stocksheets used to value the opening stock were not available for examination. Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning stock, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to stock we have not obtained all the information and explanations that we considered necessary for the purpose of our audit."



Wylie & Bisset

16 July 2004

Chartered Accountants
Registered Auditor

168 Bath Street
Glasgow
G2 4TP

WALTER BLACK FOODS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2003

	Notes	2003 £	2002 £
Gross profit		1,017,676	1,176,729
Distribution costs		(220,288)	(195,763)
Administrative expenses		(1,056,083)	(1,937,142)
Operating loss	2	(258,695)	(956,176)
Other interest receivable and similar income		21,726	53,919
Interest payable and similar charges	3	(77)	(1,696)
Loss on ordinary activities before taxation		(237,046)	(903,953)
Tax on loss on ordinary activities	4	2,503	(105,516)
Loss on ordinary activities after taxation		(234,543)	(1,009,469)
Dividends	5	(1,500)	(418,000)
Retained loss for the year	14	(236,043)	(1,427,469)

WALTER BLACK FOODS LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	6		1,072,398		1,053,150
Current assets					
Stocks	7	432,919		240,040	
Debtors	8	1,321,464		1,044,714	
Cash at bank and in hand		653,415		1,171,084	
		<u>2,407,798</u>		<u>2,455,838</u>	
Creditors: amounts falling due within one year	9	<u>(850,918)</u>		<u>(635,586)</u>	
Net current assets			<u>1,556,880</u>		<u>1,820,252</u>
Total assets less current liabilities			<u>2,629,278</u>		<u>2,873,402</u>
Provisions for liabilities and charges	10		(219,853)		(209,934)
Accruals and deferred income	11		<u>(63,000)</u>		<u>(81,000)</u>
			<u>2,346,425</u>		<u>2,582,468</u>
Capital and reserves					
Called up share capital	13		15,000		15,000
Profit and loss account	14		<u>2,331,425</u>		<u>2,567,468</u>
Shareholders' funds - equity interests	15		<u>2,346,425</u>		<u>2,582,468</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 16 July 2004

Stuart S Black
Director

Walter C Black
Director



WALTER BLACK FOODS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2003

	2003		2002	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(268,987)		405,482
Returns on investments and servicing of finance				
Interest received	21,726		53,919	
Interest paid	(77)		(1,696)	
	<u> </u>		<u> </u>	
Net cash inflow for returns on investments and servicing of finance		21,649		52,223
Taxation		(151,590)		(8,877)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(117,240)		(142,164)	
Receipts from sales of tangible assets	(1)		41,334	
Receipts from sales of investments	-		98	
	<u> </u>		<u> </u>	
Net cash outflow for capital expenditure		(117,241)		(100,732)
Equity dividends paid		(1,500)		(418,000)
		<u> </u>		<u> </u>
Net cash outflow before management of liquid resources and financing		(517,669)		(69,904)
Management of liquid resources				
Bank deposits	(300,000)		-	
	<u> </u>		<u> </u>	
		(300,000)		-
Financing				
Capital element of hire purchase contracts	-		(25,157)	
	<u> </u>		<u> </u>	
Net cash outflow from financing		-		(25,157)
		<u> </u>		<u> </u>
Decrease in cash in the year		(817,669)		(95,061)
		<u> </u>		<u> </u>

WALTER BLACK FOODS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2003

1	Reconciliation of operating loss to net cash (outflow)/inflow from operating activities		2003	2002
			£	£
	Operating loss		(258,695)	(956,176)
	Depreciation of tangible assets		82,096	150,583
	Loss on disposal of tangible assets		15,897	1,407,332
	(Increase)/decrease in stocks		(192,879)	55,803
	Increase in debtors		(264,328)	(316,658)
	Increase in creditors within one year		366,922	82,598
	Movement on grant provision		(18,000)	(18,000)
	Net cash (outflow)/inflow from operating activities		(268,987)	405,482

2	Analysis of net funds	1 October 2002	Cash flow	Other non-cash changes	30 September 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,171,084	(817,669)	-	353,415
	Liquid resources:				
	Bank deposits	-	300,000	-	300,000
	Net funds	1,171,084	(517,669)	-	653,415

3	Reconciliation of net cash flow to movement in net funds	2003	2002
		£	£
	Decrease in cash in the year	(817,669)	(95,061)
	Cash outflow from increase in liquid resources	300,000	-
	Cash (inflow)/outflow from (increase)/decrease in debt	-	25,157
	Movement in net funds in the year	(517,669)	(69,904)
	Opening net funds	1,171,084	1,240,988
	Closing net funds	653,415	1,171,084

WALTER BLACK FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings - heritable	
Plant and machinery	10% Straight line
Fixtures, fittings and equipment	10%/33% Straight line
Motor vehicles	25% Reducing balance

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 a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

Pension contributions are charged to the profit and loss account so as to spread the cost of pension over the employees working lives with the company. These contributions are invested separately from the company's assets.

1.7 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

1.8 Foreign currency translation

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

WALTER BLACK FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

1 Accounting policies

(continued)

1.9 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating loss

	2003 £	2002 £
Operating loss is stated after charging:		
Depreciation of tangible assets	82,096	150,583
Loss on disposal of tangible assets	15,897	1,407,332
Operating lease rentals		
- Plant and machinery	15,633	15,924
- Other assets	37,319	38,096
Auditors' remuneration	8,300	8,000
and after crediting:		
Government grants	18,000	18,000
Profit on foreign exchange transactions	-	(977)

3 Interest payable

	2003 £	2002 £
Hire purchase interest	-	1,696
On overdue tax	77	-

WALTER BLACK FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

4	Taxation	2003	2002
		£	£
	Domestic current year tax		
	U.K. corporation tax	(12,422)	153,302
	Current tax charge	(12,422)	153,302
	Deferred tax		
	Deferred tax charge/credit current year	9,919	(47,786)
		(2,503)	105,516
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(237,046)	(903,953)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2002: 30.00%)	(71,114)	(271,186)
	Effects of:		
	Non deductible expenses	81,070	439,247
	Depreciation add back	24,629	45,175
	Capital allowances	(39,707)	(54,640)
	Other tax adjustments	(7,300)	(5,294)
		58,692	424,488
	Current tax charge	(12,422)	153,302
5	Dividends	2003	2002
		£	£
	Ordinary interim paid	-	416,500
	Ordinary final proposed	1,500	1,500
		1,500	418,000

WALTER BLACK FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

6 Tangible fixed assets				
	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2002	2,030,003	124,953	226,912	2,381,868
Additions	117,240	-	-	117,240
Disposals	-	-	(40,924)	(40,924)
	<u>2,147,243</u>	<u>124,953</u>	<u>185,988</u>	<u>2,458,184</u>
Depreciation				
At 1 October 2002	1,177,680	55,072	95,966	1,328,718
On disposals	-	-	(25,028)	(25,028)
Charge for the year	32,636	20,697	28,763	82,096
	<u>1,210,316</u>	<u>75,769</u>	<u>99,701</u>	<u>1,385,786</u>
Net book value				
At 30 September 2003	<u>936,927</u>	<u>49,184</u>	<u>86,287</u>	<u>1,072,398</u>
At 30 September 2002	<u>852,323</u>	<u>69,881</u>	<u>130,946</u>	<u>1,053,150</u>
7 Stocks			2003	2002
			£	£
Finished goods and goods for resale			<u>432,919</u>	<u>240,040</u>
8 Debtors			2003	2002
			£	£
Trade debtors			1,214,007	621,562
Corporation tax			12,422	-
Other debtors			91,307	417,452
Prepayments and accrued income			3,728	5,700
			<u>1,321,464</u>	<u>1,044,714</u>

WALTER BLACK FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

9 Creditors: amounts falling due within one year	2003 £	2002 £
Trade creditors	598,985	318,218
Amounts owed to parent and fellow subsidiary undertakings	66,000	-
Corporation tax	1,711	153,301
Other taxes and social security costs	21,529	20,258
Directors' current accounts	-	2,475
Other creditors	29	-
Accruals and deferred income	159,664	138,334
Proposed dividend	3,000	3,000
	<u>850,918</u>	<u>635,586</u>

10 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 October 2002	209,934
Profit and loss account	9,919
	<u>219,853</u>
Balance at 30 September 2003	<u>219,853</u>

The deferred tax liability is made up as follows:

	2003 £	2002 £
Accelerated capital allowances	<u>219,853</u>	<u>209,934</u>

11 Accruals and deferred income

	Government grants £
Balance at 1 October 2002	81,000
Amortisation in the year	(18,000)
	<u>63,000</u>
Balance at 30 September 2003	<u>63,000</u>

WALTER BLACK FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

12 Pension costs

Defined contribution

	2003 £	2002 £
Contributions payable by the company for the year	39,184	27,749

13 Share capital

	2003 £	2002 £
Authorised		
15,000 Ordinary shares of £1 each	15,000	15,000
Allotted, called up and fully paid		
15,000 Ordinary shares of £1 each	15,000	15,000

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2002	2,567,468
Retained loss for the year	(236,043)
Balance at 30 September 2003	2,331,425

15 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Loss for the financial year	(234,543)	(1,009,469)
Dividends	(1,500)	(418,000)
Net depletion in shareholders' funds	(236,043)	(1,427,469)
Opening shareholders' funds	2,582,468	4,009,937
Closing shareholders' funds	2,346,425	2,582,468

WALTER BLACK FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

16 Contingent liabilities

The Bank of Scotland holds a cross corporate guarantee between all the company's in the Walter Black (Holdings) Limited Group. At 30/09/03 the amounts owed to the bank were - Taylors Speciality Foods Limited £nil, Walter Black Foods Limited £nil and Walter Black (Manufacturing) Limited £nil.

The Royal Bank of Scotland holds a bond and floating charge over all the assets and undertakings of the company.

17 Financial commitments

At 30 September 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Expiry date:		
Between two and five years	44,822	44,822

18 Directors' emoluments

	2003 £	2002 £
Emoluments for qualifying services	181,137	177,476
Company pension contributions to money purchase schemes	6,077	4,914
	187,214	182,390

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002- 2).

WALTER BLACK FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2003 Number	2002 Number
Directors	4	4
Production	36	30
Distribution	11	11
Selling	5	6
Office and administration	6	5
	<u>62</u>	<u>56</u>

Employment costs

	£	£
Wages and salaries	837,180	832,992
Social security costs	73,317	70,256
Other pension costs	39,184	27,749
	<u>949,681</u>	<u>930,997</u>

20 Ultimate parent company

The ultimate parent company is Walter Black (Holdings) Limited a company registered in Scotland.