

Company Registration No SCO37050 (Scotland)

**WALTER BLACK FOODS LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2007**

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## **WALTER BLACK FOODS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	Walter S Black Flora Black Walter C Black Stuart S Black
<b>Secretary</b>	Walter C Black
<b>Company number</b>	SCO37050
<b>Registered office</b>	3 Drumhead Road Cambuslang Investment Park Glasgow G32 8EX
<b>Auditors</b>	Wylie & Bisset 168 Bath Street Glasgow G2 4TP
<b>Bankers</b>	The Royal Bank of Scotland plc 1304 Duke Street Parkhead Glasgow G31 5PZ
<b>Solicitors</b>	Adie Hunter 15 Newton Terrace Glasgow G3 7PJ

# WALTER BLACK FOODS LIMITED

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# WALTER BLACK FOODS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007

The directors present their report and financial statements for the year ended 30 September 2007

### Principal activities and review of the business

The principal activity of the company continued to that of the manufacture and distribution of household products

The business has stabilised after a couple of difficult years within a highly competitive market. Sales have seen an increase, partly helped by the introduction of mayonnaise production. Some progress has been made with sales to multiples, while the traditional independent retail market in Scotland remains in long term slow decline. Margins remain extremely tight, while costs are continually monitored. The increase in energy costs has had a detrimental impact.

The small pre tax loss is regrettable, but with the reduction of depreciation charges in 2008 the company will return to profitability.

### Directors

The following directors have held office since 1 October 2006

Walter C Black  
Stuart S Black

### Directors' interests

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

	30 September 2007	Ordinary shares of £1 each 30 September 2006
Walter C Black		
Stuart S Black		

Interests of Directors in office at date of this report in the share capital of the ultimate parent company, Walter Black (Holdings) Limited are

	Ordinary shares of £1 each	
	2007	2006
Walter C Black	5,000	5,000
Stuart S Black	3,500	3,500

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Wylie & Bisset be reappointed as auditors of the company will be put to the Annual General Meeting.

# **WALTER BLACK FOODS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007**

### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 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.

### **Statement of disclosure to auditor**

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Walter C Black

**Secretary**

17 December 2007

# **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 4 to 15, together with the financial statements of the Walter Black Foods Limited for the year ended 30 September 2007 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 opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditors'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 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision

*Wylie & Bisset*

**Wylie & Bisset**

17 December 2007

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 2007

	Notes	2007 £	2006 £
<b>Gross profit</b>		694,543	706,489
Distribution costs		(261,285)	(249,148)
Administration expenses		(626,613)	(876,381)
Other operating income		169,373	337,033
<b>Operating loss</b>	<b>2</b>	<u>(23,982)</u>	<u>(82,007)</u>
Other interest receivable and similar income	<b>3</b>	23,805	15,480
Interest payable and similar charges	<b>4</b>	0	(26)
<b>Loss on ordinary activities before taxation</b>		<u>(177)</u>	<u>(66,553)</u>
Tax on loss on ordinary activities	<b>5</b>	(19,195)	72,005
<b>(Loss) / profit on ordinary activities after taxation</b>	<b>16</b>	<u>(19,372)</u>	<u>5,452</u>

# WALTER BLACK FOODS LIMITED

## ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2007

		2007		2006	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		335,277		586,774
			<u>335,277</u>		<u>586,774</u>
<b>Current assets</b>					
Stocks	8	383,048		384,398	
Debtors	9	984,187		1,287,895	
Investments	10	300,000		300,000	
Cash at bank and in hand		520,630		587,356	
		<u>2,187,865</u>		<u>2,559,649</u>	
<b>Creditors: amounts falling due within one year</b>	11	(601,042)		(877,434)	
<b>Net current assets</b>			<u>1,586,823</u>		<u>1,682,215</u>
<b>Total assets less current liabilities</b>			<u>1,922,100</u>		<u>2,268,989</u>
<b>Provisions for liabilities and charges</b>	12		(21,321)		(44,525)
<b>Accruals and deferred income</b>	13		0		(9,000)
			<u>1,900,779</u>		<u>2,215,464</u>
<b>Capital and reserves</b>					
Called up share capital	15		15,000		15,000
Profit and loss account	16		1,885,779		2,200,464
<b>Shareholders' funds</b>	17		<u>1,900,779</u>		<u>2,215,464</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

Approved by the Board for issue on 17 December 2007

*Walter C Black*

Walter C Black  
Director



# WALTER BLACK FOODS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2007

	2007		2006	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		232,236		121,189
<b>Returns on investments and servicing of finance</b>				
Interest received	23,805		15,480	
Interest paid	0		(26)	
<b>Net cash (outflow) for returns on investments and servicing of finance</b>		23,805		15,454
<b>Taxation</b>		0		0
<b>Equity dividends paid</b>		(295,313)		(100,000)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(46,754)		(148,639)	
Receipts from sales of tangible assets	19,300		14,410	
<b>Net cash (outflow) for capital expenditure</b>		(27,454)		(134,229)
<b>Net cash (outflow) before management of liquid resources and financing</b>		(66,726)		(97,586)
Current asset investments		0		0
Bank deposits		0		0
<b>(Decrease) / increase in cash in the year</b>		(66,726)		(97,586)

# WALTER BLACK FOODS LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2007

### 1 Reconciliation of operating profit to net cash inflow from operating activities

	2007 £	2006 £
Operating (loss)	(23,982)	(82,007)
Depreciation of tangible assets	278,630	278,187
(Gain) loss on disposal of tangible assets	321	(2,175)
(Increase) / decrease in stocks	1,350	72,437
Decrease / (increase) in debtors	303,708	(77,053)
(Decrease) in creditors within one year	(318,791)	(50,200)
Movement on grant provision	(9,000)	(18,000)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>232,236</b>	<b>121,189</b>

### 2 Analysis of net debt

	1 October 2006 £	Cash flow £	Other non cash changes £	30 September 2007 £
Net cash				
Cash at bank and in hand	587,356	(66,726)		520,630
	<u>587,356</u>	<u>(66,726)</u>		<u>520,630</u>
Liquid resources				
Current assets investments	300,000	0		300,000
	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>300,000</u>
<b>Net debt</b>	<b>887,356</b>	<b>(66,726)</b>	<b>0</b>	<b>820,630</b>

### 3 Reconciliation of net cash flow to movement in net debt

	2007 £	2006 £
Increase / (decrease) in cash in the year	(66,726)	(97,586)
<b>Movement in net debt in the year</b>	<b>(66,726)</b>	<b>(97,586)</b>
Opening net debt	887,356	984,942
<b>Closing net debt</b>	<b>820,630</b>	<b>887,356</b>

# WALTER BLACK FOODS LIMITED

## ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

### 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

Plant and machinery	10%	straight line
Fixtures, fittings & equipment	10%/33%	straight line
Motor vehicles	25%	reducing balance

#### 1.4 Leasing

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

#### 1.5 Investments

Current asset investments are stated at the lower of cost and net realisable value

#### 1.6 Stock

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

#### 1.7 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

#### 1.8 Deferred taxation

In accordance with Financial Reporting Standard 19, deferred taxation is provided in full at the appropriate rates on all timing differences with the exception of any differences arising on revaluations of non monetary assets and gains rolled over. The deferred tax balance has not been discounted

#### 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 medium 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

# WALTER BLACK FOODS LIMITED

## ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

<b>2 Operating loss</b>	<b>2007</b>	<b>2006</b>
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	278,630	278,187
Loss on disposal of tangible assets	321	
Operating lease rentals	28,001	34,448
Auditors' remuneration	3,477	7,600
and after crediting		
Gain on disposal of tangible assets		(2,175)
Government grants	9,000	18,000
	<hr/>	<hr/>
<b>3 Investment income</b>	<b>2007</b>	<b>2006</b>
	£	£
Bank interest	23,805	15,480
	<hr/>	<hr/>
<b>4 Interest payable</b>	<b>2007</b>	<b>2006</b>
	£	£
Bank interest	0	26
	<hr/>	<hr/>

# WALTER BLACK FOODS LIMITED

## ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

<b>5 Taxation</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year tax</b>		
U K corporation tax	42,399	0
	<hr/>	<hr/>
<b>Current tax charge</b>	42,399	0
<b>Deferred tax</b>		
Deferred tax credit	(23,204)	(72,005)
	<hr/>	<hr/>
	19,195	(72,005)
	<hr/>	<hr/>
<b>Factors affecting the tax charge for the period</b>		
Loss on ordinary activities before taxation	(177)	(66,553)
	<hr/>	<hr/>
Loss on ordinary activities before taxation multiplied by standard rate of U K corporation tax of 30% (2006 19%)	(53)	(12,645)
	<hr/>	<hr/>
Effects of		
Non allowable expenses (primarily ineligible depreciation)	(2,603)	(5,550)
Capital allowances in excess / (exceeded by) excess of depreciation	48,885	29,690
Adjustment to previous periods	0	0
Other tax adjustments	(3,830)	(11,495)
	<hr/>	<hr/>
	42,452	12,645
	<hr/>	<hr/>
<b>Current tax charge</b>	42,399	0
	<hr/>	<hr/>
<b>6 Dividends</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Ordinary	295,313	100,000
	<hr/>	<hr/>

# WALTER BLACK FOODS LIMITED

## ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

### 7 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles etc £	Total £
<b>Cost</b>				
At 1 October 2006	2,339,992	135,164	245,645	2,720,801
Additions	12,769		33,985	46,754
Disposals			(86,608)	(86,608)
At 30 September 2007	2,352,761	135,164	193,022	2,680,947
<b>Depreciation</b>				
At 1 October 2006	1,887,840	116,814	129,373	2,134,027
On disposals			(66,987)	(66,987)
Charge for the year	235,290	13,845	29,495	278,630
At 30 September 2007	2,123,130	130,659	91,881	2,345,670
<b>Net book value</b>				
At 30 September 2007	229,631	4,505	101,141	335,277
At 30 September 2006	452,152	18,350	116,272	586,774

### 8 Stocks

	2007 £	2006 £
Finished goods and goods for resale	383,048	384,398

### 9 Debtors

	2007 £	2006 £
Trade debtors	850,729	914,827
Other debtors	61,160	275,584
Prepayments and accrued income	72,298	97,484
	984,187	1,287,895

# WALTER BLACK FOODS LIMITED

## ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

10 Current asset investments	2007 £	2006 £
Other unlisted investments	300,000	300,000

The market value of the investments is £ 347,224 (2006 £343,929)

11 Creditors' amounts falling due within one year	2007 £	2006 £
Trade creditors	467,991	703,795
Amounts owed to parent and fellow subsidiary undertakings	29	81,287
Other taxes and social security costs	27,222	36,830
Directors' current accounts	2,881	2,881
Corporation tax	42,399	0
Accruals and deferred income	57,520	49,641
Proposed dividend	3,000	3,000
	601,042	877,434

The Royal Bank of Scotland plc holds a bond and floating charge over all the assets and undertakings of the company. The company has also granted the bank a limited guarantee.

## 12 Provision for liabilities and charges

	Deferred taxation £
Balance at 1 October 2006	44,525
Profit and loss account	(23,204)
Balance at 30 September 2007	21,321
Deferred taxation provided in the financial statements is as follows	
	Fully provided 2006 £
2007 £	
Accelerated capital allowances	44,525
21,321	

# **WALTER BLACK FOODS LIMITED**

## **ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007**

### **13 Accruals and deferred income**

	<b>Government grants £</b>
Balance at 1 October 2006	9,000
Profit and loss account	(9,000)
	<hr/>
Balance at 30 September 2007	0
	<hr/>

### **14 Pension costs**

	<b>2007 £</b>	<b>2006 £</b>
<b>Defined contributions</b>		
Contributions payable by the company for the year	42,388	40,394
	<hr/>	<hr/>

### **15 Share Capital**

	<b>2007 £</b>	<b>2006 £</b>
<b>Authorised</b>		
15,000 Ordinary shares of £1 each	15,000	15,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
15,000 Ordinary shares of £1 each	15,000	15,000
	<hr/>	<hr/>

### **16 Statement of movements on profit and loss account**

	<b>Profit and loss account £</b>
Balance at 1 October 2006	2,200,464
Loss for the year	(19,372)
Dividends	(295,313)
	<hr/>
Balance at 30 September 2007	1,885,779
	<hr/>



# WALTER BLACK FOODS LIMITED

## ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

### 17 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
(Loss) / profit for the financial year	(19,372)	5,452
Dividends	(295,313)	(100,000)
Net depletion in shareholders' funds	(314,685)	(94,548)
Opening shareholders' funds	2,215,464	2,310,012
Closing shareholders' funds	1,900,779	2,215,464

### 18 Financial commitments

At 30 September 2007, the company had annual commitments under non cancellable operating leases as follows

	Other 2007 £	Other 2006 £
Expiry date		
Within one year	0	18,180
	0	18,180

### 19 Directors' emoluments

	2007 £	2006 £
Emoluments for qualifying services	103,831	174,618
Company pension contributions to money purchase schemes	14,463	12,951
	118,294	187,569

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 ( 2006 1)

### 20 Transactions with directors

Included in creditors is £2,881 ( 2006 £2,881) due to three directors

## WALTER BLACK FOODS LIMITED

### ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

#### 21 Employees

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

	2007 No.	2006 No.
Directors	4	4
Production	22	26
Distribution	10	12
Selling	6	6
Office and administration	7	8
	<hr/> 49	<hr/> 56

Employment costs	2007 £	2006 £
Wages and salaries	1,147,961	1,396,208
Social security costs	108,038	128,295
Other pension costs	42,388	40,394
	<hr/> 1,298,387	<hr/> 1,564,897

#### 22 Contingent liabilities

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

#### 23 Related party transactions

Other debtors includes £Nil (2006 £237,557) in respect of Walter Black (Manufacturing) Limited

The company paid £60,000 to Walter Black (Properties) Limited in respect of rent

Creditors includes £29 (2006 £29) in respect of Johnston Baird & Company Limited

There has been £847,831 of sales of goods and management charges and £122,343 of purchases with with AMB Products Limited At 30/09/07 trade debtors included £169,719 and trade creditors included £38,373 relating to AMB Products Limited

The company has paid a dividend of £295,313 (2006 £100,000) to Walter Black (Manufacturing) Limited

#### 24 Transactions with directors

W C Black bought his motor vehicle from the company for £11,100 following an independent valuation