

COMPANY NUMBER:
4167764 (ENGLAND & WALES)

CHADLINGTON QUALITY FOODS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003

THE SOUTHILL PARTNERSHIP
CHARTERED ACCOUNTANTS
SOUTHILL
CORNBURY PARK
CHARLBURY
OXFORDSHIRE
OX7 3EW

CHADLINGTON QUALITY FOODS LIMITED

COMPANY INFORMATION

Company Number: 4167764 (England & Wales)

Directors: K L Burling
H E Oldroyd
M F Smith

Secretary: K L Burling

Registered Office: 6 Southill
Cornbury Park
Charlbury
Oxfordshire
OX7 3EW

Accountants: The Southill Partnership
Chartered Accountants
Southill
Cornbury Park
Charlbury
Oxfordshire
OX7 3EW

Bankers: HSBC Plc.
18 Market Place
Chipping Norton
Oxfordshire
OX7 5NE

CHADLINGTON QUALITY FOODS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH JUNE 2003

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

Principal activities

The principal activity of the company is the retail of quality foods.

Review of business

The directors are disappointed with the loss achieved on ordinary activities before taxation, but recognise the ongoing investments made in the business and it's central role in the community of the village. A business plan to ensure a profitable year in 2004 is being developed and the directors remain confident of the continuing success of the company.

Fixed assets

Changes in fixed assets during the year are set out in the notes to the financial statements.

Results and dividends

The directors do not recommend a dividend and it is proposed that the retained losses of £2,415 be transferred from reserves.

Directors' interests

The directors of the company during the year and their interests in the share capital of the company as recorded in the register of directors' interests were as follows:

	<u>2003</u>	<u>2002</u>
	<u>No.</u>	<u>of shares</u>
K L Burling - direct	150	150
- beneficially	150	150
H E Oldroyd	1,000	1,000
M F Smith - direct	126	126
- beneficially	125	125

On behalf of the board

.....
M F Smith

6 Southill
Cornbury Park
Charlbury
Oxfordshire
OX7 3EW

Dated: 27th October 2003

ACCOUNTANTS' REPORT

TO THE DIRECTORS OF CHADLINGTON QUALITY FOODS LIMITED

As described in the balance sheet you are responsible for the preparation of the financial statements for the year ended 30th June 2003 set out on pages 3 to 9 and you consider that the company is exempt from an audit and a report under section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory requirements, from the accounting records and from information and explanations supplied to us.

.....
The Southill Partnership
Chartered Accountants
Southill
Cornbury Park
Charlbury
Oxfordshire
OX7 3EW

Dated:

CHADLINGTON QUALITY FOODS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2003

	<u>Note</u>	<u>2003</u> £	<u>2002</u> £
<u>Turnover</u>	2	209,811	196,571
Cost of sales		(140,331)	(130,605)
<u>Gross profit</u>		69,480	65,966
Administrative expenses		(72,002)	(69,422)
<u>Operating loss</u>	3	(2,522)	(3,456)
Other interest receivable and similar income		107	128
<u>Loss on ordinary activities before and Retained loss for the year</u>		£ (2,415)	£ (3,328)

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 2003 therefore turnover and operating loss derive entirely from continued operations.

The company has no recognised gains or losses other than the loss for the financial year.

The annexed notes form part of these financial statements.

CHADLINGTON QUALITY FOODS LIMITED

BALANCE SHEET AS AT 30TH JUNE 2003

	<u>Note</u>	<u>2003</u>		<u>2002</u>	
		£	£	£	£
<u>Fixed assets</u>					
Tangible assets	5		19,570		12,740
<u>Current assets</u>					
Stocks	6	8,256		10,071	
Debtors	7	9,488		9,154	
Cash at bank and in hand		22,558		15,351	
		<u>40,302</u>		<u>34,576</u>	
<u>Creditors</u>					
Amounts falling due within one year	8	(25,504)		(15,269)	
		<u>14,798</u>		<u>19,307</u>	
<u>Net current assets</u>					
			<u>34,368</u>		<u>32,047</u>
<u>Total assets less current liabilities</u>					
<u>Provisions</u>					
Deferred grant	9	(4,736)		-	
		<u>£ 29,632</u>		<u>£ 32,047</u>	
<u>Capital and reserves</u>					
Called up share capital	10		35,375		35,375
Profit and loss account	11		(5,743)		(3,328)
			<u>£ 29,632</u>		<u>£ 32,047</u>
<u>Shareholders' funds</u>					
	12		<u>£ 29,632</u>		<u>£ 32,047</u>

In the opinion of the directors the company is entitled to claim exemptions from audit by virtue of subsection (1) of Section 249A of the Companies Act 1985. Members have not required the company, under s.249B(2) of the Companies Act 1985, to obtain an audit for the year ended 30th June 2003. The directors are responsible for ensuring that the company maintains accounting records in compliance with Section 221 of that Act and for preparing accounts which give a true and fair view of the affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with Section 226, and which comply with the other requirements of the Act relating to the accounts so far as applicable to the company.

Approved by the board of directors on 27th October 2003

.....
K L Burling

The annexed notes form part of these financial statements.

CHADLINGTON QUALITY FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2003

1. **Accounting policies**

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

Cashflow statement

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Depreciation and diminution in value of assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment 25% reducing balance basis

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Goodwill

Goodwill is written off in the year of acquisition.

Grants received

Grants related to capital expenditure on tangible assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grants relate. Grants of a revenue nature are credited to profit and loss account as received.

Deferred taxation

Full provision is made for taxation deferred tax assets and liabilities arising from material timing differences between the recognition of gains and losses in their accounts and their recognition for corporate tax purposes. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

2. **Turnover**

Turnover is attributable solely to continuing operations and derives from one activity as stated in the directors' report.

CHADLINGTON QUALITY FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30TH JUNE 2003

3. **Operating loss**

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
This is stated after charging:		
Depreciation and amortisation of owned assets	4,884	4,267
	<u> </u>	<u> </u>

4. **Staff costs**

The average number of persons employed by the company, including directors, during the year was as follows:

	<u>2003</u>	<u>2002</u>
Management and administration	3	3
Retail staff, including part-time	10	9
	<u> </u>	<u> </u>
	<u>13</u>	<u>12</u>

The aggregate payroll costs of these persons were as follows:

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
Wages and salaries	43,370	43,238
Social security	1,830	1,478
	<u> </u>	<u> </u>
	<u>£45,200</u>	<u>£44,716</u>

The directors are not remunerated.

CHADLINGTON QUALITY FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30TH JUNE 2003

5. **Tangible fixed assets**

	<u>Equipment</u> £
Cost:	
At 30th June 2002	17,006
Additions	13,293
	30,299
At 30th June 2003	30,299
Depreciation:	
At 30th June 2002	4,266
Charge for the year	6,463
	10,729
At 30th June 2003	10,729
Net book value:	
At 30th June 2003	£19,570
	£19,570
At 30th June 2002	£12,740
	£12,740

6. **Stocks**

	<u>2003</u> £	<u>2002</u> £
Finished goods and goods for resale	8,256	10,071
	£ 8,256	£10,071
	£ 8,256	£10,071

7. **Debtors**

	<u>2003</u> £	<u>2002</u> £
Due within one year:		
Trade debtors	6,862	7,873
Taxation	1,468	801
Prepayments	1,158	480
	£9,488	£9,154
	£9,488	£9,154

CHADLINGTON QUALITY FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH JUNE 2003

8.	<u>Creditors - amounts falling due within one year</u>	<u>2003</u>	<u>2002</u>
		£	£
	Trade creditors	23,322	14,242
	Other creditors	5	-
	Other taxes and social security	1,238	377
	Accruals and deferred income	939	650
		<u>£25,504</u>	<u>£15,269</u>
		<u><u> </u></u>	<u><u> </u></u>
9.	<u>Deferred grant</u>	<u>2003</u>	
		£	
	Balance at 30th June 2002	-	
	Grant received in year	6,315	
	Released to profit and loss	(1,579)	
		<u>£4,736</u>	
		<u><u> </u></u>	
10.	<u>Share capital</u>	<u>2003</u>	<u>2002</u>
		£	£
	<u>Authorised</u>		
	Ordinary equity shares of £1 each	50,000	50,000
		<u><u> </u></u>	<u><u> </u></u>
		£	£
	<u>Allotted, called up and fully paid</u>		
	Ordinary equity shares of £1 each	35,375	35,375
		<u><u> </u></u>	<u><u> </u></u>
11.	<u>Profit and loss account</u>	<u>2003</u>	
		£	
	Balance at 30th June 2002	(3,328)	
	Loss suffered for the year	(2,415)	
		<u>£(5,743)</u>	
		<u><u> </u></u>	

CHADLINGTON QUALITY FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30TH JUNE 2003

12. <u>Reconciliation of movements in shareholders' funds</u>	<u>2003</u> £	<u>2002</u> £
Loss for the financial year	(2,415)	(3,328)
New share capital subscribed	-	35,375
Shareholders' funds at 30th June 2002	32,047	-
Shareholders' funds at 30th June 2003	<u>£29,632</u>	<u>£32,047</u>

CHADLINGTON QUALITY FOODS LIMITED
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2003

	<u>2003</u>		<u>2002</u>	
	£	£	£	£
<u>Turnover</u>				
Sales		208,682		196,571
<u>Other direct income</u>				
Revenue grants received		1,129		-
		209,811		196,571
<u>Cost of sales</u>				
Purchases		140,331		130,605
		69,480		65,966
<u>Miscellaneous other operating income</u>				
Other interest receivable and similar		107		128
		69,587		66,094
<u>Overheads</u>				
Wages and salaries	43,370		43,238	
Employers NIC	1,830		1,478	
Depreciation - owned assets	4,884		4,266	
Amortisation - owned assets	-		1	
Gifts and donations	653		-	
Accountancy	600		936	
Printing, stationery and paper	442		465	
Telephone and fax	290		298	
Postage	82		241	
Bank and credit card charges	1,061		991	
Advertising	111		733	
Book keeping	3,277		2,610	
Motor expenses	363		269	
Licenses and permits	-		300	
Start up costs	-		1,518	
Repairs and renewals	588		892	
Rent and service charges	5,200		5,633	
Rates	439		748	
Light and heat	4,047		2,607	
Insurance	736		456	
Bad debts	3,087		-	
Legal and professional	-		855	
Cleaning	496		360	
Sundries	446		527	
		72,002		69,422
<u>Loss on ordinary activities</u>		£ (2,415)		£ (3,328)

CHADLINGTON QUALITY FOODS LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003

CONTENTS

	<u>Page</u>
Directors' Report	1
Accountants Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes	5
The following page does not form part of the Statutory Financial Statements	
Detailed Profit and Loss Account	10