

**CAPE HERB AND SPICE UK LIMITED
(REGISTRATION NUMBER 05835482)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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Cape Herb and Spice UK Limited

Financial Statements for the 10 months ended 31 December 2009

General Information

| | |
|--|---|
| Country of incorporation and domicile | United Kingdom |
| Nature of business and principal activities | Distribution of food products |
| Directors | P Jibson Irene Ivy-Schuurmans |
| Business address | Mortlake Business Centre 20 Mortlake High Street London SW14 8JN |
| Postal address | Mortlake Business Centre 20 Mortlake High Street London SW14 8JN |
| Accounting Officer | Moore Stephens BKV Inc Chartered Accountants (S A) Registered Auditors |
| Company registration number | 05835482 |

Cape Herb and Spice UK Limited

Financial Statements for the 10 months ended 31 December 2009

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The reports and statements set out below comprise the financial statements presented to the shareholders

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Report of the Compiler

To the members of Cape Herb and Spice UK Limited

On the basis of information provided by the shareholders we have compiled, in accordance with the International Standard on Related Services applicable to compilation engagements, the balance sheet of the company at 31 December 2009 and the related statements of income and cash flows for the year then ended as set out on page 4 to 11. The shareholders are responsible for these annual financial statements. We have not audited these annual financial statements, and accordingly express no assurance thereon.


Moore Stephens BKV Inc
Chartered Accountants (S.A)
Registered Auditors

Per: C Oosthuizen

Cape Town
31 May 2010

Moore Stephens BKV Inc.
Reg No 2002/031472/21
trading as
Moore Stephens.
Registered Auditors
Practice number 900908

Directors:
M Hurter
D Kohlberg
C Oosthuizen
I Sandler
A Smit
J van der Westhuizen

An independent member firm
of Moore Stephens International
Limited - members in
principal cities throughout
the world

Cape Herb and Spice UK Limited

Financial Statements for the 10 months ended 31 December 2009

Directors' Report

The directors submit their report for the 10 months ended 31 December 2009

1 Review of activities

Main business and operations

The company is engaged in distribution of food products and operates principally in United Kingdom

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment

2 Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3 Post balance sheet events

The members are not aware of any matter or circumstance arising since the end of the financial 10 months

4 Directors

The directors of the company during the 10 months and to the date of this report are as follows

Name
P Jibson
Irene Ivy-Schuurmans

5 Accounting Officer

Moore Stephens BKV Inc will continue in office for the next financial period

6 Audit exemption

For the year ending 31 December 2009, the company was entitled to exemptions from audit under section 477 of the Companies Act 2006 relating to small companies

Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- these accounts have been prepared in accordance with the provisions applicable to companies subjected to the small companies' regime of the Companies Act 2006

7 Preparation and approval of the director's report

This report has been prepared in accordance with the small Companies regime of the Companies Act 2006. The directors report was approved by the board on 30 March 2010 and signed on its behalf of


P Jibson

Cape Herb and Spice UK Limited

Financial Statements for the 10 months ended 31 December 2009

Balance Sheet

| | Note(s) | 31 December 2009 £ | 28 February 2009 £ |
|-------------------------------------|---------|--------------------------|--------------------------|
| Assets | | | |
| Current Assets | | | |
| Trade and other receivables | 2 | 114,083 | 51,437 |
| Cash and cash equivalents | 3 | 179,276 | 212,434 |
| | | <u>293,359</u> | <u>263,871</u> |
| Total Assets | | <u>293,359</u> | <u>263,871</u> |
| Equity and Liabilities | | | |
| Shareholders' contributions | | 100 | 100 |
| Retained income | | 121,782 | 100,674 |
| | | <u>121,882</u> | <u>100,774</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Current tax payable | | 32,372 | 26,761 |
| Trade and other payables | 4 | 139,105 | 94,719 |
| Provisions | 5 | - | 41,617 |
| | | <u>171,477</u> | <u>163,097</u> |
| Total Equity and Liabilities | | <u>293,359</u> | <u>263,871</u> |

AUDIT EXEMPTION

For the year ending 31 December 2009, the company was entitled to exemptions from audit under section 477 of the Companies Act 2006 relating to small companies

Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- these accounts have been prepared in accordance with the provisions applicable to companies subjected to the small companies' regime of the Companies Act 2006

The financial statements were approved by the board and authorised for issue on 30 March 2010 and were signed on its behalf by


P Jibson

Cape Herb and Spice UK Limited

Financial Statements for the 10 months ended 31 December 2009

Income Statement

| | 10 months ended 31 December 2009 £ | 12 months ended 28 February 2009 £ |
|----------------------------------|--|--|
| Revenue | | |
| Sale of goods | 469,245 | 1,237,684 |
| Cost of sales | | |
| Purchases | (385,133) | (1,000,951) |
| Gross profit | 84,112 | 236,733 |
| Other income | | |
| Recoveries | - | 1,529 |
| Interest received | 22 | 273 |
| Profit on exchange differences | 408 | 32,556 |
| | 430 | 34,358 |
| Operating expenses | | |
| Accounting fees | 8,848 | 4,720 |
| Bank charges | 877 | 1,714 |
| Commission paid | 23,559 | 38,284 |
| Computer expenses | 870 | 1,068 |
| Employee costs | 7,263 | 68,339 |
| Entertainment | 64 | - |
| Lease rentals on operating lease | 814 | 3,059 |
| Loss on exchange differences | - | 616 |
| Petrol and oil | - | 22 |
| Postage | 566 | 1,023 |
| Printing and stationery | 5 | 212 |
| Telephone and fax | 600 | 4,050 |
| Travel - local | 48 | 1,179 |
| Travel - overseas | 14,308 | 15,860 |
| | 57,822 | 140,146 |
| Operating profit | 26,720 | 130,945 |
| Finance costs | (1) | (13) |
| Profit before taxation | 26,719 | 130,932 |
| Taxation | 5,611 | 26,761 |
| Profit for the 10 months | 21,108 | 104,171 |

Cape Herb and Spice UK Limited

Financial Statements for the 10 months ended 31 December 2009

Statement of Changes in Equity

| | Shareholders' contributions £ | Retained income £ | Total equity £ |
|------------------------------------|-------------------------------------|-------------------------|-------------------|
| Balance at 01 January 2008 | 100 | (3,497) | (3,397) |
| Changes in equity | | | |
| Profit for the 12 months | - | 104,171 | 104,171 |
| Total changes | - | 104,171 | 104,171 |
| Balance at 01 January 2009 | 100 | 100,674 | 100,774 |
| Changes in equity | | | |
| Profit for the 10 months | - | 21,108 | 21,108 |
| Total changes | - | 21,108 | 21,108 |
| Balance at 31 December 2009 | 100 | 121,782 | 121,882 |

Cape Herb and Spice UK Limited

Financial Statements for the 10 months ended 31 December 2009

Cash Flow Statement

| | Note(s) | 10 months ended 31 December 2009 £ | 12 months ended 28 February 2009 £ |
|---|---------|--|--|
| Cash flows from operating activities | | | |
| Cash (used in) generated from operations | 6 | (33,157) | 181,974 |
| Finance costs | | (1) | (13) |
| Net cash from operating activities | | (33,158) | 181,961 |
| Cash flows from investing activities | | | |
| Net movement in property, plant and equipment | | - | (163) |
| Cash flows from financing activities | | | |
| Repayment of members loan | | - | (45,812) |
| Net cash from financing activities | | - | (45,812) |
| Total cash movement for the 10 months | | (33,158) | 135,986 |
| Cash at the beginning of the 10 months | | 212,434 | 76,448 |
| Total cash at end of the 10 months | 3 | 179,276 | 212,434 |

Cape Herb and Spice UK Limited

Financial Statements for the 10 months ended 31 December 2009

Accounting Policies

1 Presentation of Financial Statements

The financial statements are prepared in conformity with UK Generally Accepted Accounting Principles, appropriate to the business of the corporation. The financial statements are prepared under the historical cost convention.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.2 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Cape Herb and Spice UK Limited

Financial Statements for the 10 months ended 31 December 2009

Accounting Policies

1 4 Provisions and contingencies

Provisions are recognised when

- the company has a present obligation as a result of a past event,
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- a reliable estimate can be made of the obligation

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses

1 5 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount

Cape Herb and Spice UK Limited

Financial Statements for the 10 months ended 31 December 2009

Notes to the Financial Statements

| | 2009 £ | 2009 £ |
|---------------------------------------|----------------|----------------|
| 2. Trade and other receivables | | |
| Trade receivables | 112,638 | 50,437 |
| Deposits | 1,000 | 1,000 |
| VAT | 445 | - |
| | <u>114,083</u> | <u>51,437</u> |
| 3 Cash and cash equivalents | | |
| Cash and cash equivalents consist of | | |
| Bank balances | <u>179,276</u> | <u>212,434</u> |
| 4 Trade and other payables | | |
| Trade payables | 139,105 | 74,423 |
| Other accrued expenses | - | 20,296 |
| | <u>139,105</u> | <u>94,719</u> |

5 Provisions

Reconciliation of provisions - for the 10 months ended 31 December 2009

| | Opening Balance | Utilised during the year | Total |
|------------|--------------------|-----------------------------|-------|
| Commission | 38,284 | (38,284) | - |
| Bonus | 3,333 | (3,333) | - |
| | <u>41,617</u> | <u>(41,617)</u> | - |

Reconciliation of provisions - 2009

| | Opening Balance | Additions | Total |
|------------|--------------------|---------------|---------------|
| Commission | - | 38,284 | 38,284 |
| Bonus | - | 3,333 | 3,333 |
| | - | <u>41,617</u> | <u>41,617</u> |

Cape Herb and Spice UK Limited

Financial Statements for the 10 months ended 31 December 2009

Notes to the Financial Statements

| | 2009 £ | 2009 £ |
|---|-----------------|----------------|
| 6 Cash (used in) generated from operations | | |
| Profit before taxation | 26,719 | 130,932 |
| Adjustments for: | | |
| Loss on foreign exchange | - | 616 |
| Finance costs | 1 | 13 |
| Movements in provisions | (41,617) | 41,617 |
| Other non-cash items | - | (42) |
| Changes in working capital | | |
| Trade and other receivables | (62,646) | (25,895) |
| Trade and other payables | 44,386 | 34,733 |
| | <u>(33,157)</u> | <u>181,974</u> |

7 Related parties

Relationships

Holding company

Fellow Subsidiaries

Liberty Star Consumer Holdings (Proprietary) Limited

Liberty Star Manufacturing Solutions (Proprietary) Limited

Chet Chemicals (Proprietary) Limited

Orley Foods (Proprietary) Limited

Ribworld (Proprietary) Limited

Rialto Foods (Proprietary) Limited

Tony Amaro Bakeries (Proprietary) Limited

Cape Herb and Spice (Proprietary) Limited

Finlar Foods (Proprietary) Limited

Members of key management

I Ivy-Schuurmans

P Jibson