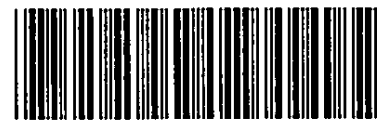


**DAVID PRICE FOOD SERVICES LIMITED**  
**ABBREVIATED ACCOUNTS**  
**29th AUGUST 2009**

WEDNESDAY



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COMPANIES HOUSE

# **DAVID PRICE FOOD SERVICES LIMITED**

## **ABBREVIATED ACCOUNTS**

**PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009**

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# DAVID PRICE FOOD SERVICES LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

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<b>The board of directors</b>	D G Price Mrs S E Price P A Martin
<b>Company secretary</b>	D G Price
<b>Registered office</b>	Kittiwake Close Silverlink Business Park Wallsend Tyne and Wear NE28 9ND
<b>Auditor</b>	Tait Walker LLP Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
<b>Bankers</b>	Yorkshire Bank Newport House Teesdale South Thornaby Stockton TS17 6SE
<b>Solicitors</b>	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX

# DAVID PRICE FOOD SERVICES LIMITED

## THE DIRECTORS' REPORT

### PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

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The directors have pleasure in presenting their report and the financial statements of the company for the period from 1st September 2008 to 29th August 2009

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period continued to be those of hauliers and warehousemen

The directors of David Price Food Services Limited are pleased to present the financial results for the period ending 29th August 2009 together with a review of the business activities of the company

The company expanded its operations into Glasgow during 2009 purchasing a cold storage and distribution depot. The purchase was part of the company's strategic plan of developing a national next day distribution delivery service within the UK and Ireland. The acquisition and associated establishment of this depot resulted in one off costs being incurred which contributed to the loss recorded in the period to 29th August 2009.

The company's core business has continued to trade reasonably well in a challenging and competitive market place with sales increasing by 11.83% over the previous year. The company however has found difficulty in maintaining gross margins which have fallen from 11.29% to 8.16% during the year mainly due to the competitive market conditions attributable to the recession.

The directors and managers of the business continue to work hard to ensure that the company is successfully managed during the recession and to ensure that performance under very difficult market conditions will allow the company to enjoy strong and profitable growth in the post recession period. The directors are confident in their belief that they have the infrastructure to develop the business nationally whilst returning the company to profitability in the near future.

#### RESULTS AND DIVIDENDS

The loss for the period amounted to £84,285. The directors have not recommended a dividend.

#### FINANCIAL INSTRUMENTS

The company has an established, structured approach to risk management. The company's activities expose it to a variety of financial risks, including credit, liquidity and cash flow, and interest rate risks. The company has adopted risk management policies that seek to mitigate these risks in a cost effective manner. Financial assets that expose the company to financial risk consist primarily of trade debtors and cash. Financial liabilities that expose the company to financial risk consist principally of trade creditors, loans, invoice discounting and hire purchase agreements.

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. The company has credit insurance products in place and also performs ongoing credit evaluation of its customers' financial condition.

Liquidity risk is the risk that the company does not have sufficient liquid assets to meet its obligations as they fall due. Liquidity is maintained at a prudent level and the company ensures there is an adequate liquidity buffer to cover contingencies. The company maintains sufficient cash and open committed credit lines from banks for its funding requirements.

# DAVID PRICE FOOD SERVICES LIMITED

## THE DIRECTORS' REPORT *(continued)*

**PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009**

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### **DIRECTORS**

The directors who served the company during the period were as follows

D G Price  
Mrs S E Price  
P A Martin

### **SHARE OPTIONS**

On 15th July 2008 a key employee was issued share options in David Price (Holdings) Limited. These options were valued taking into account the provisions of FRS 20 at £5,260 - see note 17

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

# DAVID PRICE FOOD SERVICES LIMITED

## THE DIRECTORS' REPORT *(continued)*

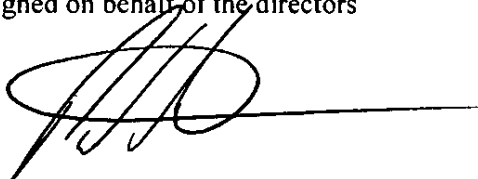
PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

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### AUDITOR

On 1st November 2009, Tait Walker transferred its audit business to Tait Walker LLP and the audit report is signed in the new name. A resolution to re-appoint Tait Walker LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Signed on behalf of the directors

A handwritten signature in black ink, appearing to be 'P A Martin', written over a horizontal line.

P A Martin  
Director

Approved by the directors on 30th July 2010

**DAVID PRICE FOOD SERVICES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE COMPANY**  
**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 6 to 21, together with the financial statements of David Price Food Services Limited for the period from 1st September 2008 to 29th August 2009 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 work, for this report, or for the opinions we have formed

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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 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 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 full financial statements

**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 the regulations made under that section

*Tait Walker LLP*

Brian Laidlaw BA CA (Senior Statutory Auditor)  
For and on behalf of  
Tait Walker LLP, Chartered Accountants & Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

*30th July 2010*

# DAVID PRICE FOOD SERVICES LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

		Period from 1 Sep 08 to 29 Aug 09 £	Period from 27 Aug 07 to 31 Aug 08 £
<b>TURNOVER</b>	Note	<b>11,239,032</b>	10,049,857
Cost of sales less other operating income		<b>(10,223,942)</b>	<b>(8,915,650)</b>
Administrative expenses		<b>1,015,090</b> <b>993,823</b>	1,134,207 780,723
<b>OPERATING PROFIT</b>	<b>3</b>	<b>21,267</b>	353,484
Profit on disposal of fixed assets		<b>22,262</b>	32,345
Interest payable and similar charges	<b>6</b>	<b>139,496</b>	105,510
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(95,967)</b>	280,319
Tax on (loss)/profit on ordinary activities	<b>7</b>	<b>(11,682)</b>	18,857
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>		<b>(84,285)</b>	261,462

All of the activities of the company are classed as continuing  
The company has no recognised gains or losses other than the results for the  
period as set out above

The notes on pages 8 to 21 form part of these abbreviated accounts



**DAVID PRICE FOOD SERVICES LIMITED**  
**COMPANY REGISTRATION NUMBER 00128852**  
**ABBREVIATED BALANCE SHEET**

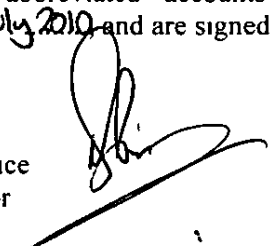
**29th AUGUST 2009**

	Note	29 Aug 09		31 Aug 08	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	8		1,000		-
Tangible assets	9		<u>5,552,042</u>		<u>3,659,477</u>
			<b>5,553,042</b>		<b>3,659,477</b>
<b>CURRENT ASSETS</b>					
Debtors	10	2,589,698		2,059,776	
Cash in hand		<u>2,440</u>		<u>1,377</u>	
		<b>2,592,138</b>		<b>2,061,153</b>	
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>4,281,237</u>		<u>2,045,273</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<b>(1,689,099)</b>		<b>15,880</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>3,863,943</b>		<b>3,675,357</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	12		<b>1,566,079</b>		<b>1,290,367</b>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred taxation	16		<u>210,296</u>		<u>218,397</u>
			<b>2,087,568</b>		<b>2,166,593</b>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	19		<b>101,000</b>		<b>101,000</b>
Share options reserve	20		<b>5,260</b>		<b>-</b>
Profit and loss account	21		<u>1,981,308</u>		<u>2,065,593</u>
<b>SHAREHOLDERS' FUNDS</b>	22		<b>2,087,568</b>		<b>2,166,593</b>

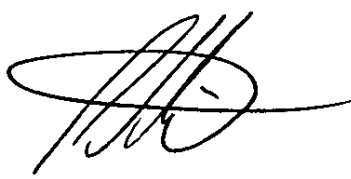
These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on ~~30th July 2010~~ and are signed on their behalf by

D G Price  
Director



P A Martin  
Director



The notes on pages 8 to 21 form part of these abbreviated accounts

# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

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### 1. GOING CONCERN

At the period end the company has net current liabilities of £1,689,099. The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. The validity of the use of this basis depends upon the following -

As noted in the directors' report the company manages its day to day working capital requirements through an invoice discounting facility and an overdraft facility which is due for review in August 2010.

As noted in the directors' report the current economic climate is difficult and the company posted a loss for the period ended 29th August 2009. The company forecasts and projections, taking account of reasonable possible changes in trading performance, show that the company should be able to operate within the level of its current facility. The directors are confident that the forecast sales volumes and margins are achievable. From the date the accounts are to be signed the company is expected to generate positive cash flows and return to profitability over the following twelve months.

The company is at an advanced stage of discussion with its bankers about additional funding needs, restructuring of its current facilities and converting short term debt to secured long term debt which should improve the working capital of the business. Discussions are ongoing and no material matters have been drawn to the attention of the directors to suggest that facilities will not be forthcoming on acceptable terms. The bank has stated that it is "looking to further consider future structure of funding at higher levels" and "this consideration is given by the bank on a supportive basis". The company is also pursuing alternative sources of funding but as yet has not secured a commitment.

On the basis of their assessment of the company's financial position and the outcome of discussions with the company's bankers, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

If the going concern basis proved to be invalid, the financial statements would have to be prepared on a break up basis in which the balance sheet would be restated to include all assets at estimated realisable values and all liabilities would become current and would have to be increased to include those liabilities contingent on the company ceasing to trade.

### 2. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

#### **Cash flow statement**

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cashflow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

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### 2. ACCOUNTING POLICIES *(continued)*

#### **Related parties transactions**

The company is a wholly owned subsidiary of David Price (Holdings) Limited. The company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of David Price (Holdings) Limited, within which this company is included, can be obtained from the address given in note 27.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

#### **Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	3 to 50 years straight line
Plant & Machinery	-	2 to 30 years straight line
Motor Vehicles	-	3 to 8 years straight line
Equipment	-	3 to 5 years straight line

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Operating lease agreements**

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.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

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### 2. ACCOUNTING POLICIES *(continued)*

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Share-based payments**

The company issues equity-settled and cash-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the company's estimate of the shares that will eventually vest.

Fair value is measured using the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

For cash-settled share-based payments, a liability equal to the portion of the goods and services received is recognised at the current fair value determined at each balance sheet date.

# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

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### 2. ACCOUNTING POLICIES *(continued)*

#### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### Deferred grants

Grants in respect of capital expenditure are credited to a deferred income account and released to the profit and loss account over the expected useful life of the relevant assets by equal instalments.

### 3. OPERATING PROFIT

Operating profit is stated after charging

	Period from 1 Sep 08 to 29 Aug 09 £	Period from 27 Aug 07 to 31 Aug 08 £
Depreciation of owned fixed assets	113,154	306,462
Depreciation of assets held under hire purchase agreements	595,629	329,508
Auditor's remuneration		
- as auditor	13,498	12,775
Operating lease costs		
- Plant and equipment	<u>41,569</u>	<u>32,932</u>

# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

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### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to

	Period from 1 Sep 08 to 29 Aug 09 No	Period from 27 Aug 07 to 31 Aug 08 No
Directors	3	3
Clerical and administration	40	14
Transport	67	73
Coldstore	43	32
	<u>153</u>	<u>122</u>

The aggregate payroll costs of the above were

	Period from 1 Sep 08 to 29 Aug 09 £	Period from 27 Aug 07 to 31 Aug 08 £
Wages and salaries	3,220,406	2,589,627
Social security costs	310,136	250,855
Other pension costs	33,809	23,433
Equity-settled share-based payments	5,260	-
	<u>3,569,611</u>	<u>2,863,915</u>

### 5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	Period from 1 Sep 08 to 29 Aug 09 £	Period from 27 Aug 07 to 31 Aug 08 £
Aggregate remuneration	185,014	150,907
Value of company pension contributions to money purchase schemes	28,341	23,433
	<u>213,355</u>	<u>174,340</u>

The number of directors who accrued benefits under company pension schemes was as follows

	Period from 1 Sep 08 to 29 Aug 09 No	Period from 27 Aug 07 to 31 Aug 08 No
Money purchase schemes	<u>3</u>	<u>3</u>

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# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

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### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 1 Sep 08 to 29 Aug 09 £	Period from 27 Aug 07 to 31 Aug 08 £
Interest payable on bank borrowing	42,915	29,815
Finance charges	96,581	75,695
	<u>139,496</u>	<u>105,510</u>

### 7. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the period

	Period from 1 Sep 08 to 29 Aug 09 £	Period from 27 Aug 07 to 31 Aug 08 £
Current tax		
In respect of the period		
UK Corporation tax based on the results for the period at 21% (2008 - 20%)	(3,581)	3,581
Total current tax	(3,581)	3,581
Deferred tax		
Origination and reversal of timing differences (note 16)		
Capital allowances	19,975	(48,481)
Losses	(28,076)	63,757
Total deferred tax (note 16)	(8,101)	15,276
Tax on (loss)/profit on ordinary activities	<u>(11,682)</u>	<u>18,857</u>

# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

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### 7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 21% (2008 - 20%)

	Period from 1 Sep 08 to 29 Aug 09 £	Period from 27 Aug 07 to 31 Aug 08 £
(Loss)/profit on ordinary activities before taxation	<u>(95,967)</u>	<u>280,319</u>
(Loss)/profit on ordinary activities by rate of tax	(20,153)	56,064
Expenses not deductible for tax purposes	5,704	3,828
Capital allowances for period in excess of depreciation	(17,309)	6,980
Utilisation of tax losses	28,177	(63,757)
Sundry tax adjusting items	-	466
Total current tax (note 7(a))	<u>(3,581)</u>	<u>3,581</u>

### 8. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
Additions	<u>1,000</u>
At 29th August 2009	<u>1,000</u>
<b>AMORTISATION</b>	
At 1st September 2008 and 29th August 2009	<u>-</u>
<b>NET BOOK VALUE</b>	
At 29th August 2009	<u>1,000</u>
At 31st August 2008	<u>-</u>



# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

### 9. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Motor Vehicles £	Equipment £	Total £
<b>COST</b>					
At 1 September 2008	1,145,612	1,171,184	3,721,783	66,464	6,105,043
Additions	1,271,294	200,782	1,130,950	42,060	2,645,086
Disposals	(4,053)	(130,896)	(396,899)	(14,122)	(545,970)
<b>At 29 August 2009</b>	<b>2,412,853</b>	<b>1,241,070</b>	<b>4,455,834</b>	<b>94,402</b>	<b>8,204,159</b>
<b>DEPRECIATION</b>					
At 1 September 2008	251,469	791,113	1,361,397	41,587	2,445,566
Charge for the period	23,296	82,004	580,240	23,243	708,783
On disposals	(4,052)	(130,886)	(353,186)	(14,108)	(502,232)
<b>At 29 August 2009</b>	<b>270,713</b>	<b>742,231</b>	<b>1,588,451</b>	<b>50,722</b>	<b>2,652,117</b>
<b>NET BOOK VALUE</b>					
<b>At 29 August 2009</b>	<b>2,142,140</b>	<b>498,839</b>	<b>2,867,383</b>	<b>43,680</b>	<b>5,552,042</b>
At 31 August 2008	894,143	380,071	2,360,386	24,877	3,659,477

#### Hire purchase agreements

Included within the net book value of £5,552,042 is £2,835,481 (2008 - £2,153,366) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the period in respect of such assets amounted to £595,629 (2008 - £329,508)

#### Capital commitments

	29 Aug 09 £	31 Aug 08 £
Contracted but not provided for in the financial statements	-	209,245

### 10. DEBTORS

	29 Aug 09 £	31 Aug 08 £
Trade debtors	2,345,479	1,852,697
Amounts owed by group undertakings	42,139	42,139
Corporation tax repayable	3,581	-
Prepayments and accrued income	198,499	164,940
	<b>2,589,698</b>	<b>2,059,776</b>

# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

### 11. CREDITORS: Amounts falling due within one year

	29 Aug 09 £	31 Aug 08 £
Invoice finance account	1,253,911	–
Bank loans and overdrafts	565,490	259,273
Trade creditors	1,217,143	836,888
Taxation and social security	200,370	213,485
Hire purchase agreements	790,749	587,251
Directors loan facility	–	20
Accruals and deferred income	253,574	148,356
	<u>4,281,237</u>	<u>2,045,273</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	29 Aug 09 £	31 Aug 08 £
Bank loans and overdrafts	565,490	259,273
Other creditors including taxation and social security	1,253,911	–
Hire purchase agreements	790,749	587,251
	<u>2,610,150</u>	<u>846,524</u>

The bank loans and overdraft are secured by a legal mortgage on the coldstore and 2.1 acres of land at Silverlink Industrial Estate, Wallsend and a floating charge over the assets of the company

Other creditors are secured by a legal mortgage over the deeds of 7-15 Wellbeck Road, Darnly Industrial Estate, Glasgow and by a floating charge over the debtors of the group

The hire purchase creditors are secured on the assets to which they relate

### 12. CREDITORS: Amounts falling due after more than one year

	29 Aug 09 £	31 Aug 08 £
Bank loans and overdrafts	484,833	345,833
Hire purchase agreements	1,081,246	944,534
	<u>1,566,079</u>	<u>1,290,367</u>

# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

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### 12. CREDITORS: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	29 Aug 09 £	31 Aug 08 £
Bank loans and overdrafts	484,833	345,833
Hire purchase agreements	1,081,246	944,534
	<u>1,566,079</u>	<u>1,290,367</u>

The bank loans and overdraft are secured by a legal mortgage on the coldstore and 2 1 acres of land at Silverlink Industrial Estate, Wallsend and a floating charge over the assets of the company

The hire purchase creditors are secured on the assets to which they relate

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	29 Aug 09 £	31 Aug 08 £
Bank loans and overdrafts	<u>86,667</u>	<u>112,666</u>

### 13. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows

	29 Aug 09 £	31 Aug 08 £
Amounts repayable		
In one year or less or on demand	1,819,401	259,273
In more than one year but not more than two years	136,000	76,000
In more than two years but not more than five years	262,166	157,167
In more than five years	86,667	112,666
	<u>2,304,234</u>	<u>605,106</u>

### 14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	29 Aug 09 £	31 Aug 08 £
Amounts payable within 1 year	790,749	587,251
Amounts payable between 1 and 2 years	858,115	534,392
Amounts payable between 3 and 5 years	223,131	410,142
	<u>1,871,995</u>	<u>1,531,785</u>

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# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

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### 15. PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £33,809 (2008 - £23,433)

### 16. DEFERRED TAXATION

The movement in the deferred taxation provision during the period was

	Period from 1 Sep 08 to 29 Aug 09 £	Period from 27 Aug 07 to 31 Aug 08 £
Provision brought forward	218,397	203,121
Profit and loss account movement arising during the period	(8,101)	15,276
Provision carried forward	<u>210,296</u>	<u>218,397</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	29 Aug 09 £	31 Aug 08 £
Excess of taxation allowances over depreciation on fixed assets	238,372	218,397
Tax losses available	(28,076)	-
	<u>210,296</u>	<u>218,397</u>

### 17. SHARE-BASED PAYMENTS

Equity-settled share-based payments

The company has a share option scheme for a key employee, who is also a director. Options relate to shares in David Price (Holdings) Limited, the ultimate parent company. Options are exercisable at a price equal to the average market price of David Price (Holdings) Limited shares on the date of grant. The vesting period is 10 years. The options are settled in equity once exercised.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows

# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

### 17. SHARE-BASED PAYMENTS *(continued)*

	29 Aug 09		31 Aug 08	
	No	WAEP £	No	WAEP £
Outstanding at the beginning of the year	<u>3,350</u>	<u>10.00</u>	<u>3,350</u>	<u>10 00</u>
Outstanding at the end of the period	<u>3,350</u>	<u>10.00</u>	<u>3,350</u>	<u>10 00</u>
Exercisable at the end of the year	<u>3,350</u>	<u>10.00</u>	<u>3,350</u>	<u>10 00</u>

The share options outstanding at the end of the year have a weighted average remaining contractual life of 8.9 years and have the following exercise prices

Expiry date	Exercise price £	29 Aug 09	31 Aug 08
		No	No
15th July 2018	<u>10.00</u>	<u>3,350</u>	<u>3,350</u>

The fair values were calculated using the Black-Scholes option pricing model. Options were granted on 15th July 2008. The estimated fair value of the options granted on that date was £5,260.

The fair values were calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	29 Aug 09	31 Aug 08
Weighted average share price - £	<u>9.85</u>	9.85
Weighted average exercise price - £	<u>10.00</u>	10.00
Expected volatility - %	<u>5.00</u>	5.00
Expected life - years	<u>5.00</u>	5.00
Risk free rate - %	<u>3.50</u>	<u>3.50</u>

The company recognised total expenses of £5,260 (2008 - £nil) related to equity-settled share-based payment transactions during the year.

Expected volatility was determined by calculating the historical volatility of the group's net assets over the previous 3 years. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

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### 18. COMMITMENTS UNDER OPERATING LEASES

At 29th August 2009 the company had annual commitments under non-cancellable operating leases as set out below

	29 Aug 09		31 Aug 08	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	161,000	-	-	6,861
Within 2 to 5 years	-	44,493	161,000	30,178
	<u>161,000</u>	<u>44,493</u>	<u>161,000</u>	<u>37,039</u>

### 19. SHARE CAPITAL

Allotted, called up and fully paid:

	29 Aug 09		31 Aug 08	
	No	£	No	£
1,000 Ordinary shares of £1 each	1,000	1,000	1,000	1,000
100,000 Preference shares of £1 each	100,000	100,000	100,000	100,000
	<u>101,000</u>	<u>101,000</u>	<u>101,000</u>	<u>101,000</u>

#### Share rights

The preference shares carry the right to a fixed non-cumulative dividend at the rate of 1% per annum out of the profits of the company available for distribution and resolved to be distributed in respect of that year. They carry no rights, in the case of a deficiency, to resort to the profits of subsequent financial years or any other accounting period in priority to any payment of dividend on the ordinary shares in the capital of the company. They have a preferential right to a return on capital in a winding up or a reduction in capital involving repayment of capital.

The preference shares do not entitle the holders thereof to receive notice of or attend or vote at any general meeting of the company and carry no other rights to participate in the profits or assets of the company.

### 20. SHARE OPTIONS RESERVE

	29 Aug 09 £	31 Aug 08 £
Recognition of equity-settled share-based payments in the year	5,260	-
Balance carried forward	<u>5,260</u>	-

# DAVID PRICE FOOD SERVICES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1st SEPTEMBER 2008 TO 29th AUGUST 2009

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### 21 PROFIT AND LOSS ACCOUNT

	Period from 1 Sep 08 to 29 Aug 09 £	Period from 27 Aug 07 to 31 Aug 08 £
Balance brought forward	2,065,593	1,804,131
(Loss)/profit for the financial period	<u>(84,285)</u>	<u>261,462</u>
Balance carried forward	<u>1,981,308</u>	<u>2,065,593</u>

### 22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	29 Aug 09 £	31 Aug 08 £
(Loss)/Profit for the financial period	(84,285)	261,462
Recognition of equity-settled share-based payments in the year	<u>5,260</u>	<u>-</u>
Net (reduction)/addition to shareholders' funds	(79,025)	261,462
Opening shareholders' funds	<u>2,166,593</u>	<u>1,905,131</u>
Closing shareholders' funds	<u>2,087,568</u>	<u>2,166,593</u>

### 23. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of David Price (Holdings) Limited, a company registered in England and Wales. The consolidated financial statements of the company are available to the public and may be obtained from David Price (Holdings) Limited, Kittiwake Close, Silverlink Business Park, Wallsend, Tyne and Wear, NE28 9ND, England