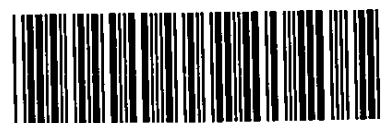


DAVID PRICE FOOD SERVICES LIMITED
ABBREVIATED ACCOUNTS
28th AUGUST 2010

WEDNESDAY



A16B7TU3

A23

04/05/2011

251

COMPANIES HOUSE

DAVID PRICE FOOD SERVICES LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 5
Independent auditor's report to the company	6
Abbreviated profit and loss account	7
Abbreviated balance sheet	8
Notes to the abbreviated accounts	9 to 22

DAVID PRICE FOOD SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

D G Price
Mrs S E Price
P A Martin

Company secretary

D G Price

Registered office

Kittiwake Close
Silverlink Business Park
Wallsend
Tyne and Wear
NE28 9ND

Auditor

Tait Walker LLP
Chartered Accountants
& Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Bankers

Yorkshire Bank
Newport House
Teesdale South
Thornaby
Stockton
TS17 6SE

Solicitors

Neil McQueen, Duncan & Egner
E Floor
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LF

DAVID PRICE FOOD SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 28th AUGUST 2010

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 28th August 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The company's main activity is haulage and the company continues to operate from the Wallsend depot, Yorkshire depot, and Glasgow depot. The company also continues to operate a cold storage facility at its Wallsend and Glasgow depots. Thus the company's activities are organised into the following four divisions:

Wallsend Transport
Yorkshire Transport
Glasgow Transport
Cold Storage

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and gross profit margin.

The turnover of the company by division was as follows:

	2010	2009
	£000	£000
Wallsend Transport	4,108	3,861
Yorkshire Transport	5,267	5,207
Glasgow Transport	2,089	1,007
Cold Storage	1,613	1,164
	<u>13,077</u>	<u>11,238</u>

DAVID PRICE FOOD SERVICES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 28th AUGUST 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW *(continued)*

All divisions have shown growth in turnover during the year and the total growth in turnover was 16.35%. The increase in turnover is due to the Glasgow depot being in operation for a full year and due to the creation of our own network, The Absolute Temperature Network, which has been created to give the company long term security within the sector.

Overall gross profit has fallen to £624,955 (4.8%) from £917,481 (8.2%) and the loss before tax has increased to £622,558 from £95,967. The decrease in gross profit and increased losses before tax is a result of the creation of The Absolute Temperature Network and company restructures that have occurred during the year. This has resulted in an increase in fixed costs of sales and caused one off costs to be incurred.

As a result of our business changes and performance during the year our balance sheet position has weakened. In December 2010 the company has reduced its net liabilities by restructuring its debt and obtaining a £1.5m long term loan payable over 15 years from Yorkshire Bank. This has allowed the company to reduce its overdraft requirements and other short term liabilities.

As for many businesses of our size, the business environment in which we operate continues to be challenging. The haulage industry in the UK is highly competitive and margins continue to be tight. We face competition from many local and national haulage firms. We are also subject to economic pressures such as fuel prices which is a main cost to our business.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

However despite these challenges we are committed to develop new business within our depots through opportunities created by the creation of The Absolute Temperature Network. We also hope to see increased efficiency in the future as a result of our restructuring that has taken place and hope to be profitable in 2011.

RESULTS AND DIVIDENDS

The loss for the year amounted to £501,248. The directors have not recommended a dividend.

DAVID PRICE FOOD SERVICES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 28th AUGUST 2010

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.

DIRECTORS

The directors who served the company during the year were as follows:

D G Price
Mrs S E Price
P A Martin

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 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.

DAVID PRICE FOOD SERVICES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 28th AUGUST 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES *(continued)*

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

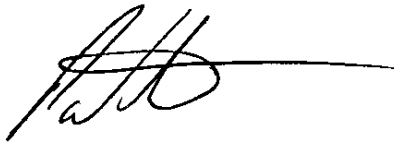
In so far as the directors are aware

- 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.

AUDITOR

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



P A Martin
Director

Approved by the directors on 3/3/11

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

We have examined the abbreviated accounts set out on pages 7 to 22, together with the financial statements of David Price Food Services Limited for the year ended 28th August 2010 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

4th March 2011

DAVID PRICE FOOD SERVICES LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 28th AUGUST 2010

	Note	2010 £	2009 £
TURNOVER		13,077,727	11,239,032
Cost of sales less other operating income		<u>(12,256,125)</u>	<u>(10,223,942)</u>
		821,602	1,015,090
Administrative expenses		<u>1,266,479</u>	<u>993,823</u>
OPERATING (LOSS)/PROFIT	3	(444,877)	21,267
Profit on disposal of fixed assets		<u>4,288</u>	<u>22,262</u>
		(440,589)	43,529
Interest receivable		18	–
Interest payable and similar charges	6	<u>(189,291)</u>	<u>(139,496)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(629,862)	(95,967)
Tax on loss on ordinary activities	7	<u>(128,614)</u>	<u>(11,682)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(501,248)</u>	<u>(84,285)</u>

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
year as set out above

The notes on pages 9 to 22 form part of these abbreviated accounts

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

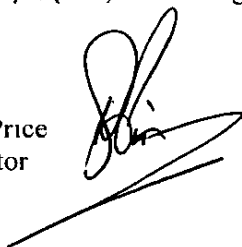
28th AUGUST 2010

	Note	2010		2009	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		83		1,000
Tangible assets	9		<u>5,234,936</u>		<u>5,552,042</u>
			5,235,019		5,553,042
CURRENT ASSETS					
Debtors	10	2,928,646		2,589,698	
Cash in hand		<u>2,589</u>		<u>2,440</u>	
		2,931,235		2,592,138	
CREDITORS: Amounts falling due within one year	11	<u>5,344,947</u>		<u>4,281,237</u>	
NET CURRENT LIABILITIES			(2,413,712)		(1,689,099)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,821,307		3,863,943
CREDITORS: Amounts falling due after more than one year	12		1,153,305		1,566,079
PROVISIONS FOR LIABILITIES					
Deferred taxation	16		<u>81,682</u>		<u>210,296</u>
			1,586,320		2,087,568
CAPITAL AND RESERVES					
Called-up equity share capital	19		101,000		101,000
Share options reserve	20		5,260		5,260
Profit and loss account	21		1,480,060		1,981,308
SHAREHOLDERS' FUNDS	22		<u>1,586,320</u>		<u>2,087,568</u>

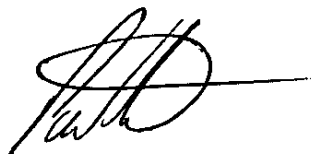
These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 3/3/11, and are signed on their behalf by

D G Price
Director



P A Martin
Director



The notes on pages 9 to 22 form part of these abbreviated accounts

DAVID PRICE FOOD SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

1. GOING CONCERN

At the year end the company has net current liabilities of £2,406,408. 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 -

The company meets its day to day working capital requirements through an overdraft facility and invoice financing facility. The current economic conditions create uncertainty over the availability of bank financing to fund working capital in the foreseeable future and the level of demand for the company's services.

In December 2010 the company refinanced its debt with its current bankers. It entered into a loan agreement in order to refinance £1.5 million of its short term debt secured on its Glasgow depot and changed it into long term debt payable over 15 years. The company also renewed its overdraft facilities and invoice financing facility which enables it to continue to meet its working capital day to day demands for the foreseeable future.

The company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the company should be able to operate within the levels of its new financing facilities.

The directors have a reasonable expectation that the company has adequate resources 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.

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.

DAVID PRICE FOOD SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

2. ACCOUNTING POLICIES *(continued)*

Turnover

Turnover represents the value of services provided during the year net of discounts and Value Added Tax. Turnover is recognised to the extent that and when there is a right to consideration.

Amortisation

Amortisation 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:

Goodwill - 1 year straight line

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.

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:

DAVID PRICE FOOD SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

2. ACCOUNTING POLICIES *(continued)*

Deferred taxation *(continued)*

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

YEAR ENDED 28th AUGUST 2010

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 (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2010	2009
	£	£
Amortisation of intangible assets	917	—
Depreciation of owned fixed assets	390,183	113,154
Depreciation of assets held under hire purchase agreements	444,486	595,629
Auditor's remuneration		
- as auditor	11,785	11,450
- for other services	9,815	2,048
Operating lease costs		
- Plant and equipment	<u>48,621</u>	<u>41,569</u>

DAVID PRICE FOOD SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

3. OPERATING (LOSS)/PROFIT *(continued)*

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

	2010	2009
	£	£
Audit	11,785	11,450
Taxation	2,315	2,048
Business consultancy	7,500	—
	<u>21,600</u>	<u>13,498</u>

4. PARTICULARS OF EMPLOYEES

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

	2010	2009
	No	No
Directors	3	3
Clerical and administration	44	40
Transport	77	67
Coldstore	44	43
	<u>168</u>	<u>153</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	3,661,179	3,220,406
Social security costs	352,572	310,136
Other pension costs	35,294	33,809
Equity-settled share-based payments	—	5,260
	<u>4,049,045</u>	<u>3,569,611</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Aggregate remuneration	195,482	185,014
Value of company pension contributions to money purchase schemes	22,370	28,341
	<u>217,852</u>	<u>213,355</u>

DAVID PRICE FOOD SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

5. DIRECTORS' REMUNERATION *(continued)*

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

	2010	2009
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
Interest payable on bank borrowing	79,188	42,915
Finance charges	<u>110,103</u>	<u>96,581</u>
	<u>189,291</u>	<u>139,496</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2010		2009	
	£	£	£	£
Current tax				
UK Corporation tax based on the results for the year at 21% (2009 - 21%)		-		<u>(3,581)</u>
Total current tax		-		<u>(3,581)</u>
Deferred tax				
Origination and reversal of timing differences (note 16)				
Capital allowances	(31,037)		19,975	
Losses	<u>(97,577)</u>		<u>(28,076)</u>	
Total deferred tax (note 16)		<u>(128,614)</u>		<u>(8,101)</u>
Tax on loss on ordinary activities		<u>(128,614)</u>		<u>(11,682)</u>

DAVID PRICE FOOD SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2009 - 21%)

	2010 £	2009 £
Loss on ordinary activities before taxation	<u>(629,862)</u>	<u>(95,967)</u>
Loss on ordinary activities by rate of tax	(132,271)	(20,153)
Expenses not deductible for tax purposes	2,193	5,704
Capital allowances for period in excess of depreciation	26,927	(17,309)
Utilisation of tax losses	(41,296)	28,177
Unrelieved tax losses	<u>144,447</u>	<u>-</u>
Total current tax (note 7(a))	<u>-</u>	<u>(3,581)</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 30th August 2009 and 28th August 2010	<u>1,000</u>
AMORTISATION	
Charge for the year	<u>917</u>
At 28th August 2010	<u>917</u>
NET BOOK VALUE	
At 28th August 2010	<u>83</u>
At 29th August 2009	<u>1,000</u>

DAVID PRICE FOOD SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Motor Vehicles £	Equipment £	Total £
COST					
At 30 August 2009	2,412,853	1,241,070	4,455,834	94,402	8,204,159
Additions	950	143,634	356,040	30,609	531,233
Disposals	(3,573)	(7,238)	(106,329)	(25,137)	(142,277)
At 28 August 2010	2,410,230	1,377,466	4,705,545	99,874	8,593,115
DEPRECIATION					
At 30 August 2009	270,713	742,231	1,588,451	50,722	2,652,117
Charge for the year	29,801	130,403	652,388	22,077	834,669
On disposals	(3,572)	(7,235)	(92,677)	(25,123)	(128,607)
At 28 August 2010	296,942	865,399	2,148,162	47,676	3,358,179
NET BOOK VALUE					
At 28 August 2010	2,113,288	512,067	2,557,383	52,198	5,234,936
At 29 August 2009	2,142,140	498,839	2,867,383	43,680	5,552,042

Hire purchase agreements

Included within the net book value of £5,234,936 is £2,266,770 (2009 - £2,835,481) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £444,486 (2009 - £595,629)

10. DEBTORS

	2010 £	2009 £
Trade debtors	2,612,466	2,345,479
Amounts owed by group undertakings	42,139	42,139
Corporation tax repayable	3,599	3,581
Prepayments and accrued income	270,442	198,499
	2,928,646	2,589,698

DAVID PRICE FOOD SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

11. CREDITORS: Amounts falling due within one year

	2010 £	2009 £
Invoice finance account	1,327,720	1,253,911
Bank loans and overdrafts	1,107,528	565,490
Trade creditors	1,374,746	1,217,143
Taxation and social security	378,696	200,370
Hire purchase agreements	568,013	790,749
Accruals and deferred income	588,244	253,574
	<u>5,344,947</u>	<u>4,281,237</u>

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

	2010 £	2009 £
Bank loans and overdrafts	1,107,528	565,490
Other creditors including taxation and social security	1,327,720	1,253,911
Hire purchase agreements	568,013	790,749
	<u>3,003,261</u>	<u>2,610,150</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

	2010 £	2009 £
Bank loans and overdrafts	348,833	484,833
Hire purchase agreements	804,472	1,081,246
	<u>1,153,305</u>	<u>1,566,079</u>

DAVID PRICE FOOD SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

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

	2010 £	2009 £
Bank loans and overdrafts	348,833	484,833
Hire purchase agreements	804,472	1,081,246
	<u>1,153,305</u>	<u>1,566,079</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

	2010 £	2009 £
Bank loans and overdrafts	<u>60,666</u>	<u>86,667</u>

13. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows

	2010 £	2009 £
Amounts repayable		
In one year or less or on demand	2,435,248	1,819,401
In more than one year but not more than two years	115,167	136,000
In more than two years but not more than five years	173,000	262,166
In more than five years	60,666	86,667
	<u>2,784,081</u>	<u>2,304,234</u>

14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2010 £	2009 £
Amounts payable within 1 year	568,013	790,749
Amounts payable between 1 and 2 years	737,049	858,115
Amounts payable between 3 and 5 years	67,423	223,131
	<u>1,372,485</u>	<u>1,871,995</u>

DAVID PRICE FOOD SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

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 £35,924 (2009 - £39,277)

16. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2010 £	2009 £
Provision brought forward	210,296	218,397
Profit and loss account movement arising during the year	<u>(128,614)</u>	<u>(8,101)</u>
Provision carried forward	<u>81,682</u>	<u>210,296</u>

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

	2010 £	2009 £
Excess of taxation allowances over depreciation on fixed assets	207,335	238,372
Tax losses available	<u>(125,653)</u>	<u>(28,076)</u>
	<u>81,682</u>	<u>210,296</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

YEAR ENDED 28th AUGUST 2010

17. SHARE-BASED PAYMENTS *(continued)*

	2010		2009	
	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 year	<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 7.9 years and have the following exercise prices

Expiry date	Exercise price £	2010	2009
		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.

There was no need to recalculate the fair value of the share option as at the balance sheet date due to the share option in issue having vested immediately. The inputs into the Black Scholes Model to calculate the fair value were as follows:

	2010	2009
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>4.00</u>	<u>3 50</u>

The company recognised total expenses of £nil (2009 - £5,260) related to equity-settled share-based payment transactions during the year.

DAVID PRICE FOOD SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

18. COMMITMENTS UNDER OPERATING LEASES

At 28th August 2010 the company had annual commitments under non-cancellable operating leases as set out below

	2010		2009	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	48,000	67,930	161,000	-
Within 2 to 5 years	-	214,636	-	44,493
	<u>48,000</u>	<u>282,566</u>	<u>161,000</u>	<u>44,493</u>

19. SHARE CAPITAL

Allotted, called up and fully paid:

	2010		2009	
	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

	2010	2009
	£	£
Balance brought forward	5,260	-
Recognition of equity-settled share-based payments in the year	-	5,260
	<u>5,260</u>	<u>5,260</u>

DAVID PRICE FOOD SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28th AUGUST 2010

21. PROFIT AND LOSS ACCOUNT

	2010 £	2009 £
Balance brought forward	1,981,308	2,065,593
Loss for the financial year	<u>(501,248)</u>	<u>(84,285)</u>
Balance carried forward	<u>1,480,060</u>	<u>1,981,308</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Loss for the financial year	(501,248)	(84,285)
Recognition of equity-settled share-based payments in the year	—	5,260
Net reduction to shareholders' funds	<u>(501,248)</u>	<u>(79,025)</u>
Opening shareholders' funds	2,087,568	2,166,593
Closing shareholders' funds	<u>1,586,320</u>	<u>2,087,568</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