
Annual Report and Accounts 2010

Food Group Financial Statements

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Basis of Preparation

These unaudited Food Group Financial Statements comprise designated individual legal entities which are consolidated as subsidiaries of ARYZTA AG and show the Food Group's interest in joint ventures of ARYZTA AG using the equity method, and which do not form part of Origin Enterprises, plc.

The accompanying financial statements comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet and Cash Flow Statement ("the Food Group Financial Statements") of the Food Group for the year ended 31 July 2010 with 31 July 2009 comparatives.

The Directors have prepared the Food Group Financial Statements by applying accounting policies consistent with those applied by ARYZTA AG and extracting the differences between the audited financial statements of ARYZTA AG and the audited financial statements of Origin Enterprises plc, after reflecting appropriate adjustments deemed necessary to prepare the Food Group Financial Statements. The investment in Origin is carried at historic cost.

The ARYZTA AG and Origin Enterprises plc Group Financial Statements have been reported on by the ARYZTA AG auditor without qualification.

Food Group Income Statement

for the year ended 31 July 2010

in Euro '000	2010 unaudited	2009 unaudited
Revenue	1,679,417	1,712,754
Cost of sales	(1,010,354)	(1,026,643)
Gross profit	669,063	686,111
Operating expenses	(508,811)	(524,387)
Operating profit before acquisition, merger costs and other	160,252	161,724
Dividend income from investment in Origin	7,600	–
Acquisition, merger costs and other	(4,592)	(22,738)
Operating profit	163,260	138,986
Share of profit of joint ventures	20,041	13,808
Profit before financing income and costs	183,301	152,794
Financing costs, net	(36,272)	(33,299)
Profit before tax	147,029	119,495
Income tax expense	(19,379)	(21,827)
Profit for the year	127,650	97,668
Attributable as follows:		
Equity shareholders	125,020	94,633
Non-controlling interests	2,630	3,035
Profit for the year	127,650	97,668

Food Group Statement of Comprehensive Income

for the year ended 31 July 2010

in Euro `000	2010 unaudited	2009 unaudited
Profit for the year	127,650	97,668
Other comprehensive income		
Foreign exchange translation effects	53,180	23,602
Actuarial loss on Group defined benefit pension schemes, net of deferred tax	(1,510)	(115)
Gains/(losses) relating to cash flow hedges, net of deferred tax	2,895	(3,050)
Revaluation of previously held investment in Hiestand	–	35,077
Total other comprehensive income for the year	54,565	55,514
Total comprehensive income for the year	182,215	153,182
Attributable as follows:		
Equity shareholders	178,262	150,147
Non-controlling interests	3,953	3,035
Total comprehensive income for the year	182,215	153,182

Food Group Balance Sheet

as at 31 July 2010

in Euro `000	2010 unaudited	2009 unaudited
Assets		
Non-current assets		
Property, plant and equipment	815,918	577,772
Investment property	4,646	3,761
Goodwill and intangible assets	2,149,826	1,382,431
Investments in joint ventures	73,140	55,720
Other investments	51,045	51,045
Deferred tax assets	57,683	21,754
Total non-current assets	3,152,258	2,092,483
Current assets		
Amounts owed by Origin Enterprises plc	49	1,629
Inventory	129,947	96,381
Trade and other receivables	247,336	207,918
Derivative financial instruments	394	534
Cash and cash equivalents	318,544	204,586
Total current assets	696,270	511,048
Total assets	3,848,528	2,603,531

Food Group Balance Sheet (continued)

as at 31 July 2010

in Euro `000	2010 unaudited	2009 unaudited
Equity		
Called up share capital	1,061	1,005
Share premium	632,951	518,006
Retained earnings and other reserves	897,103	745,302
Total equity attributable to equity shareholders of parent	1,531,115	1,264,313
Non-controlling interests	11,936	10,721
Total equity	1,543,051	1,275,034
Liabilities		
Non-current liabilities		
Interest-bearing loans and borrowings	1,391,189	694,511
Employee benefits	7,524	5,108
Deferred income from government grants	16,100	16,465
Other payables	7,107	1,025
Deferred tax liabilities	338,348	184,109
Derivative financial instruments	–	801
Deferred consideration	12,824	29,123
Total non-current liabilities	1,773,092	931,142
Current liabilities		
Interest-bearing loans and borrowings	42,978	15,579
Trade and other payables	427,329	334,672
Corporation tax payable	47,437	38,116
Derivative financial instruments	2,172	5,165
Deferred consideration	12,469	3,823
Total current liabilities	532,385	397,355
Total liabilities	2,305,477	1,328,497
Total equity and liabilities	3,848,528	2,603,531

Food Group Cash Flow Statement

for the year ended 31 July 2010

in Euro `000	2010 unaudited	2009 unaudited
Cash flows from operating activities		
Profit before tax	147,029	119,495
Financing costs, net	36,272	33,299
Dividend income from investment in Origin	(7,600)	–
Share of profit of joint ventures	(20,041)	(13,808)
Merger and other expenses	(51)	22,738
Depreciation of property, plant and equipment	60,363	54,628
Amortisation of intangible assets	47,450	42,983
Recognition of deferred income from government grants	(2,895)	(1,881)
Share-based payments	1,400	2,827
Other	25	1,180
Cash flows from operating activities before changes in working capital	261,952	261,461
(Increase)/decrease in inventory	(1,235)	8,466
(Increase)/decrease in trade and other receivables	30,918	45,997
Increase/(decrease) in trade and other payables	(4,865)	(29,788)
Cash generated from operating activities	286,770	286,136
Interest paid, net	(31,651)	(33,694)
Income tax paid	(22,573)	(19,868)
Net cash flows from operating activities	232,546	232,574

Food Group Cash Flow Statement (continued)

for the year ended 31 July 2010

in Euro `000	2010 unaudited	2009 unaudited
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	852	1,551
Purchase of property, plant and equipment		
– maintenance capital expenditure	(10,330)	(15,047)
– investment capital expenditure	(29,632)	(56,229)
Grants received	1,117	2,377
Acquisition of subsidiaries and businesses, net of cash acquired	(564,419)	(66,312)
Investment in joint venture	(1,800)	–
Purchase of intangible assets	(16,914)	(10,705)
Dividends received	24,158	18,830
Deferred consideration	(2,128)	(27,384)
Net cash flows from investing activities	(599,096)	(152,919)
Cash flows from financing activities		
Net proceeds from issue of share capital	115,001	(626)
Drawdown of loan capital	360,431	78,437
Capital element of finance lease liabilities	(807)	(646)
Dividends paid	(30,599)	–
Net cash flows from financing activities	444,026	77,165
Net increase in cash and cash equivalents	77,476	156,820
Translation adjustment	8,938	738
Net cash and cash equivalents at start of year	189,310	31,752
Net cash and cash equivalents at end of year	275,724	189,310