European Entrepreneurship Case Study Resource Centre

Sponsored by the European Commission for Industry & Enterprise under CIP
(Competitiveness and Innovation framework Programme 2007 – 2013)

Project Code: ENT/CIP/09/E/N02S001
2011

GJ Belfrost (England)

Thomas Cooney
Dublin Institute of Technology

Jennifer Manning
Dublin Institute of Technology

This case has been prepared as a basis for class discussion rather than to illustrate either the effective or ineffective handing of a business / administrative situation.

You are free:
- to copy, distribute, display, and perform the work
- to make derivative works

Under the following conditions:
- Attribution.
  You must give the original author credit.
- Non-Commercial.
  You may not use this work for commercial purposes.
- Share Alike.
  If you alter, transform, or build upon this work, you may distribute the resulting work only under a license identical to this one.

For any reuse or distribution, you must make clear to others the license terms of this work. Any of these conditions can be waived if you get permission from the author(s).

GJ BELFROST

Introduction

> *"What's worrying you boy?"* Tess Barrett asked her eldest son Neil. *"Ever since you got here, you've been pacing about the living room like a cat on a hot tin roof. It isn't like you; there must be something troubling you. I'll put the kettle on and you can tell me about it over a cup of tea"*.

Neil laughed for the first time since he had arrived at his mother's house as he immediately recognised that this was his mother's solution to any difficulty that he, or his brothers and sisters, had ever faced throughout their lives – to put the kettle on! As his mother went to the kitchen, Neil tried once more to make sense of the many different thoughts that were running through his head.

Earlier that day Neil had a meeting with a company who were very interested in merging with his own business (GJ Belfrost). But he was uncertain whether this was what he wanted for his company, or indeed, for himself. He was 55 years old and in recent years he had begun to think about an exit strategy for himself from his business. He once had some hopes that he could pass the business on to one of his children, but his eldest son Thomas had decided to take a different occupation after spending seven years working with the company. Thomas had been introduced to most departments and acquitted himself as HGV driver, warehouse manager, telesales and field sales representative, but he never felt that he would be given a fair chance to run the business once Neil retired. He believed that 'someone' would always be looking over his shoulder and that it would always be his father's business, particularly in the eyes of the longer-serving members of staff. The option of succession was removed when Thomas decided to pursue a career outside of foodservice as Neil's other children had already identified different career paths for themselves. He was naturally supportive of their choices and delighted that they had found professional opportunities which excited them, but it meant that keeping his business in the family and passing it on to the next generation was not an option for him.

GJ Belfrost was in a good financial position (reference Appendix One), which meant that he could continue to trade as he was currently doing before finally deciding to sell the business either to another company or through a management buy-out. This could make him very

wealthy, but he was already quite comfortable financially and having ‘untold riches’ had never been a significant motivating factor for him. Furthermore, he was not someone who could operate in ‘cruise control’, so he knew that simply continuing to trade was not an option for him. Being a natural entrepreneur meant that he would insist on continuing to build the business before eventually selling it. But building the business led to another problem - how could he possibly grow the business given that the current economic recession had severely limited expansion opportunities through avenues such as market penetration, product development or market development. Possibly one way of growing the business was to buy a company and merge it with his own operations; Neil had recently become aware of the increasing number of businesses in his industry that were becoming available for sale. This issue then led to another question he had to consider, would it be better for him to buy a company that would offer stronger horizontal integration or one that offered stronger vertical integration? And did he want the difficulties of taking over a troubled company and turning it around?

All of these questions had accumulated in his mind when one day, as he sat in his office analysing his different options, Bradfields Foodservice Ltd contacted him requesting a meeting to discuss a possible merger. He was initially delighted to receive the request as it could solve some of his growth problems and it might even offer him a lucrative exit strategy. But something had been troubling him for weeks about the whole endgame scenario as he increasingly came to the realisation that he actually did not want to leave the business. Throughout his life he had always displayed a very strong work ethic, dedicating long hours in order to build the business to the level of success it enjoyed today. This resulted in Neil having little opportunity to develop interests away from his work and family. When he did have some free time he enjoyed a game of golf, a pastime that brought him much enjoyment but one that he had little opportunity to actually play. Neil could not decide what he would actually do if he retired, and the prospect of ‘missing the buzz’ from having his own business was beginning to keep him awake at night. What he really wanted to do was to build the business as far as he could take it and if that meant retiring at 80, then so be it. Consequently he was very confused:

> *“Should my focus be on an exit strategy or a growth strategy? And depending on which one I choose, what further actions do I need to take to fulfil my ambitions? Indeed, what are my ambitions?”*

Whichever option he considered, there were various questions and challenges that needed to be addressed. He could not see any simple solution, and he certainly had no idea how he was

going to explain all of this to his mother over a cup of tea. She just might have to put on the kettle a second time!

Entrepreneurial Background

Neil was a born entrepreneur, establishing and running several successful enterprises in his 32 year career. In 1978, at 23 years of age, he established his first business, a fast-food takeaway in Gants Hill, on the borders of north-east London and Ilford (Essex). He established the business with his best-friend and it became very successful over a short period of time. Specialising in takeaway pizza was a deliberate strategy, as this was a growing and very popular market. The American pizza distributor, Tolona Pizza Products, who had recently established a base in England, was the primary supplier. Three years later, in 1981, Neil and his best-friend were not being fully-challenged by the pizza takeaway business but were encouraged by an approach from Tolona Pizza Products to become a wholesaler of their bespoke products selling into other pizza take-away and home delivery operators. They felt that the wholesale area presented more long-term opportunities for them so the decision was taken to sell the take-away enterprise and to establish a new base from which to operate their new business. Neil acquired a retail frozen food centre as a going concern which provided frozen storage space, along with a steady income to supplement the fledgling wholesale business. Meanwhile, Asda (a large English foodstore chain) opened a retail store nearby, and consequently Neil and his partner had to sell their retail shop. This also resulted in the break-up of their partnership but Neil acquired the wholesale business in the disbandment of the partnership and he now had an opportunity to truly develop his own entrepreneurial skills.

In 1987, personal circumstances forced Neil to move to Leigh-on-Sea in Essex and the subsequent changes to his personal life meant that all of his energies became totally focused on the development of his wholesale business. GJ Distributors became a very profitable enterprise with a team of just six people growing the business by building excellent customer relationships with fast food outlets in London and south-east England. By 1993, GJ Distributors had to move to a larger warehouse where the organisation established a cold storage facility on its own property. The fast food market was, at the time, an industry with great growth potential and using the good relationship that he had previously established with Tolona Pizza Products, Neil acquired their London-based distribution operation and then set about positioning his business as the most reliable pizza wholesale distributor in the south-east of England.

Unfortunately, the industry soon began to reach maturity and saturation, and between the mid 1990's and early 2000's Neil identified a shift in the ethnicity of his customer base. The early 'mom & pop' fast food operators of the 1980s had given way to a different type of entrepreneur who originated from the Middle East, Eastern Europe, and Asia. Therefore, Neil was not only operating in a saturated industry, but also in an industry where the profile of competitors and customers were changing dramatically and ethnic wholesalers would soon dominate the wholesale fast food industry. Neil identified an opportunity to differentiate his company through customer service and on-time delivery, and he continued to compete on factors other than pricing. In 2002, after 15 years of running and growing GJ Distributors, Neil's entrepreneurial instincts forced him to look at different business opportunities and he decided that it was time to expand his business into the general catering foodservice market using a more extensive product range, instead of focusing solely on pizza products.

Company Background of GJ Belfrost

In 2003 Neil acquired Belfrost Foods Ltd (including its debts, assets and premises) for £1 million and merged it with his existing business of GJ Distributors. Because the names of both businesses were well recognised within the industry, Neil wanted to ensure that each of them was reflected in the new trading name which he called GJ Belfrost Foodservice. When Neil first acquired Belfrost Foods Ltd, it was located in Catford, south-east London. However he had also retained his original wholesale premises in Leigh-on-Sea in Essex and this was where his main office was still based. Catford stored only frozen items and Leigh-on-Sea stored mainly ambient and chilled goods, but deliveries to customers had to consist of all temperature codes to ensure profitability. Neil originally used a hub-and-spoke method to run the business with stock being transferred between depots at night to fulfil orders, but he found that the business was operating like two competing organisations. In 2007 he united the two premises into one new location, a purpose built warehouse and office building in Rainham in the London Borough of Havering. The company had some 'teething pains' in its first couple of years of operation regarding the company culture, but since the relocation of the organisation to Rainham, the company now operates much more efficiently in a decentralised organisational structure (see Appendix Two). Neil introduced this company structure in order to overcome some hostility that employees felt in the early years of Neil's reign of GJ Belfrost as he likes to be consulted and included in all decisions made in the company. However, as GJ Belfrost is a small company in one central location, Neil feels that this need for inclusion in decision-making does not inhibit the flow of information or disrupt the company culture.

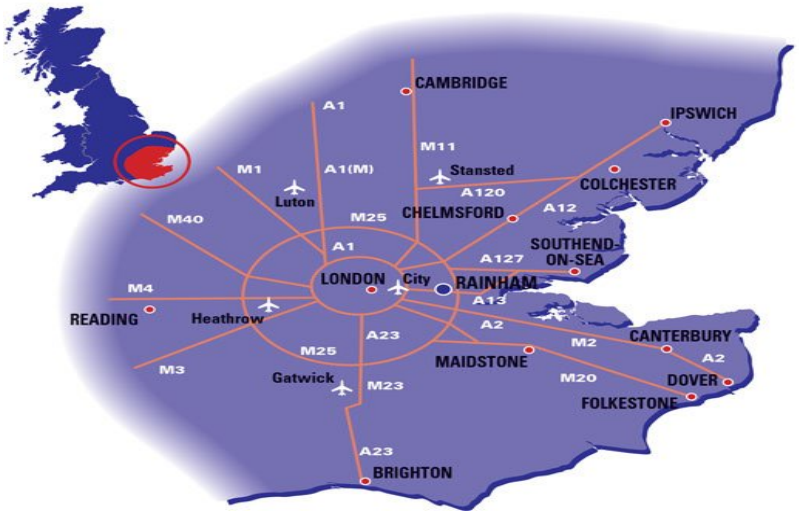
A new opportunity presented itself in April 2009 when Neil was approached by an ailing foodservice wholesaler to acquire his business on an 'earn out' basis. The wholesaler, Vincent's of Essex, had a turnover of £1.6m whose main area of activity was supplying food vendor traders at pop festivals throughout the UK (e.g. Glastonbury, Reading, "V" festivals, etc). This has proved to be very fruitful and turnover in this area has increased steadily by selling a much wider range of products to these customers. Although the operations of the business overall were continuing to expand, Neil still did not have a business plan for the organisation nor did he have a marketing strategy. However, the sales team competed on daily targets and Neil was very strict regarding the production and review of monthly financial accounts. Indeed, he frequently argued that his track record of business success highlighted that his focus on tactics rather than strategies has proven to be correct. GJ Belfrost is a profitable company, with an estimated annual turnover of £8.1million and it has 40 staff members.

GJ Belfrost is a wholesale frozen food supplier, providing everything that a caterer may require through their extensive range of frozen, chilled and ambient products (see Appendix Three). Their customer catchment area is quite large in terms of population as they deliver from Ipswich to Reading, from Brighton to Dover, and all areas in between including London (see Figure One). The company purchased a fleet of split-temperature lorries which means that they can deliver tins of beans, milk and frozen goods all in the same vehicle. They have a dedicated sales and customer services team who are able to help with any query a customer might have, plus they offer a range of marketing support materials including menus for deserts, children's food and point of sale literature for branded products. They also offer monthly promotions to give their customers the opportunity to make greater margins or simply to try out new menu ideas. They accept orders by fax or by telephone through a telesales service. However, they do not have an online ordering service although that idea has been suggested to the company by various customers. GJ Belfrost is also a member of Fairway Foodservice PLC, the largest independent food-purchasing consortium in the UK. This enables the company to purchase smaller quantities at very competitive prices, whilst giving their customers the added benefit of being supplied by a local company. "National strength, local service" is the company's motto.

Ever since Neil has owned the business, GJ Belfrost has always served the south-east of England, including the enormous market represented by London. It is a business-to-business

organisation, wholesaling fresh, frozen, chilled and ready-made food to various catering companies within its catchment area. Currently, Neil has various sales representatives calling into a variety of catering business to talk directly to the chefs about the products and services that GJ Belfrost provides. This is a very slow process and GJ Belfrost spends approximately £240,000 annually on direct and 'door-to-door' sales in order to obtain new customers for the company. Therefore, a considerable amount of finances and personal resources are consumed in sales and on the recruitment new customers.

Figure One: Catchment Area for GJ Belfrost



A recent review of his customer list by the Sales Manager had given Neil a breakdown of sales generated for the company by the different market segments that GJ Belfrost had targeted (see Table One) which he had found enlightening. Once he reviewed this information, Neil had then asked his Financial Controller to undertake a financial review to determine the profit percentages that were earned by each of these categories as he wanted to start focusing on the more profitable segments of the market. His father Billy had often taught him that there was little value in being a 'busy fool'.

Table One: Percentage of Customers

Hospitals	15%
Schools	22%
Fast Food	25%
Hotels / Leisure Centres	10%
Private Catering Companies	20%
Pubs & Restaurants	8%

Neil has long recognised that competition in the foodservice catering industry is very intense, particularly in London and surrounding areas. It is a saturated market that is reaching maturity and differentiation is becoming increasingly difficult. The exact number of companies competing as suppliers in this industry is unknown but Neil considers that his direct competitors are much bigger concerns with a turnover in excess of £1bn (e.g. Brakes and 3663), but that the majority are micro-sized companies operating within a 50km radius of their own premises, all of them offering high-end food products. From his thirty years experience in business, Neil had gained considerable insight into the wholesale food market and it was his knowledge and feel for the business that had encouraged him to continually expand the company's product range to include fresh, frozen, chilled and ready-made products, snack items and non-food goods. The company can now cater for a wide variety of customers with various different food preferences and requirements and so spread its risk from increased competition. Neil also knew that for the company to grow and accumulate market power in the industry, GJ Belfrost had to cater for a wide customer base and needed to consider all possible food and non-food items that these customers might require. The relationship that he established with Fairway Foodservice PLC is vital to the company as it is through this network that GJ Belfrost can acquire such a vast product range and still offer competitive prices in the market. Fairway Foodservice PLC has 21 members throughout the UK and Ireland, but there are no factors inhibiting Fairway Foodservice from acquiring more members to supply its vast array of food and non-food items to the catering industry in London and the south-east of England.

Bradfields Business Opportunity

Bradfields Foodservice Ltd, was located in the greater London area, has been supplying catering businesses in London and the surrounding areas with an assortment of fresh, frozen,

chilled and ready-made foods for many years. Bradfields' product range is similar to that of GJ Belfrost, but it has the added advantage of an in-house butchery that enables them to supply fresh meat to their customers. The company has an estimated annual turnover of £18 million. Bradfields Foodservice Ltd first approached GJ Belfrost in 2007 to discuss the possibility of a merger between the two companies. Neil instantly rejected the offer, and at the time was very pleased that a major competitor had approached him to discuss doing business together. Neil remembers the occasion well:

> *"I thought to myself that I must be doing something right if my biggest competitor is approaching me to discuss the future of our businesses in the industry. I was really proud at the thought that they felt threatened by GJ Belfrost."*

Now, three years later, during a time of international economic crisis and in a highly competitive market, Neil has agreed to meet with the directors of Bradfields Foodservice to discuss once again the prospects of a merger. Being an entrepreneur the possibility of a merger is both very exciting and frustrating as a merger would present an opportunity to grow his business and expand it to a level that could take him years to achieve independently, but it would also mean some loss of control.

Neil remained very sceptical about the merger. As Bradfields was a bigger and more profitable organisation, their merger would not be a 'merger of equals' as it would be divided 60:40 in favour of Bradfields. Neil would remain a director but he would suffer a considerable loss of control regarding the direction of the business and in the day-to-day operations of the business. The logistics strategy would be for Bradfields to relocate their entire operation to the Rainham site of GJ Belfrost as it was bigger site and offered more capacity for growth. This action alone would generate an estimated £500k additional profit, with savings coming from staff reductions, synergies of distribution routes, as well as significant savings from Bradfields operational and fixed overheads. The issues of organisational structure and company culture, which Neil had considerable problems with in the early years of GJ Belfrost, would once again become major challenges as there would be a fear of job losses, the probable relocation of premises, and the existing decentralised organisational structure would be have to be reshaped into a formal hierarchical reporting structure. Neil also had to consider GJ Belfrost's customers as the company was very loyal to its customers and had spent seven years building strong customer relations based on an efficient reliable service with high quality food. Furthermore, if Neil did follow through with this merger, he was aware that his options would become limited with regard to leaving the business, yet he would be working long hours to prove his business and entrepreneurial skills to his new partners.

Nevertheless, Neil knew that financially this could be a hugely successful option for his business, with an estimated annual turnover of £35 million after just five years. But this was only an estimate, and evaluating the worth of two businesses and their assets in a business merger was a very difficult and time consuming process. Nonetheless, Neil knew that he could save considerably on overhead costs, gain greater purchasing power in the market, and increase his product range to include salt beef Bradfields speciality products. The question he now had to consider was: 'is it worth all the trouble?'

Other Strategic Options

Neil knows that a merger with Bradfield was not GJ Belfrost's only option, and that he has three other options regarding the future of his business: (1) to continue to trade as the company is currently operating; (2) expand GJ Belfrost's presence in the market through further market penetration and product expansion, and (3) expand through vertical or horizontal integration.

Continue to Trade without any Changes

Without even fully considering this option, Neil knew that with all of the various challenges facing him and his business, he could not continue to trade with GJ Belfrost's current market position and product range. GJ Belfrost was operating in a highly fragmented and competitive market, and from his vast experience of the industry he knew that in order to remain competitive a company must evolve with the market. Furthermore, Neil now had 'itchy feet' and he recognised that his entrepreneurial nature could not allow him to 'sit still' knowing that there were an abundance of opportunities before him. Continuing to trade without any change was the 'safe' option as there was no major risk involved as GJ Belfrost is a strong brand with a high quality range of products. However, this is a saturated fragmented market in an international economic crisis, and Neil is aware that changes are going to have to be made to the company, either now or in the near future.

Strategic Growth - Product and Market Expansion

To examine the strategic growth opportunities that GJ Belfrost might undertake, Neil would frequently use the Ansoff Matrix to remind him of his choices and to help him to consider GJ Belfrost's strategic product and market growth options.

1. Market Penetration

   Market penetration is a growth strategy in which Neil would focus on selling increasing amounts of his existing products into his existing market, somewhat similar to the previous option that Neil has already rejected. In a mature market, like the wholesale food delivery sector, Neil would have to drive out competitors using an aggressive sales and marketing strategy, and increase existing customer loyalty. GJ Belfrost has already spent a considerable amount of money on sales support but the company does not have a marketing strategy aimed at retaining long-term loyal customers. Furthermore, given that GJ Belfrost is operating in a fragmented competitive market, Neil does not know how he would begin to identity and target competitors in order to drive them out of the market.

2. Market Development

   If GJ Befrost decided to implement the market development growth strategy, Neil would have to sell GJ Belfrost's existing product range in new geographical markets. As there is considerable difficulty regarding the transportation of food/consumable goods, Neil would have to consider establishing a new hub outside of GJ Belfrost's current catchment area which would involve considerable investment costs. However, given GJ Belfrost's survival in the highly competitive London market, expanding outside the market area is possible given that competition is less intense elsewhere.

3. Product Development

   Neil does have an opportunity to introduce new products into its existing market. As GJ Belfrost is a member of Fairway Foodservice, the company could increase its product range to include a wider variety of products available from Fairway. The two primary product areas in which GJ Belfrost is weak are ethnic foods and raw or salted/smoked meats. This strategy could not only increase the company's customer base, but also increase customer loyalty, as GJ Belfrost could become a 'one-stop-shop' for its current customers. This may involve Neil looking to the international market to identify a supplier of ethnic foods but Neil must ensure that any new wholesale supplier must have a similar commitment to high quality food.

4. Diversification

   This growth strategy would involve Neil diversifying into a new business market with new products. This is a high risk strategy because it would involve moving the business into markets in which it has little or no experience. For GJ Belfrost to adopt a

diversification strategy it must have a clear idea about what it expects to gain from the strategy and an honest assessment of the risks. As such, there are considerable risks involved for both Neil and GJ Belfrost, and effectively Neil has already decided that instead of diversifying, he is instead going to evaluate his options regarding vertical or horizontal integration by purchasing another company.

Vertical or Horizontal Integration

The possibility of adopting an integration strategy would involve the purchase of another company in the same industry, but in a different sector of that industry. Both types of integration carry considerable risk, but also opportunities for growth and expansion.

1. Vertical Integration

   For Neil, in terms of vertical integration, the obvious option is to acquire a catering company. This is a form of forward integration in which Neil would be staying within the same supply chain, but would be in business with the end-user, the consumer. Therefore, GJ Belfrost would be a wholesale company and a catering company, giving the company greater market power. GJ Belfrost serves a wide variety of catering companies, and as such it has considerable knowledge about this sector of the industry. The major issue to be addressed is whether he should start off small or 'go big' immediately? The acquisition of a company with a considerable presence in the market, for example a catering company for schools or hospitals, would not only be financially expensive, but a very complex process involving a considerable amount of time and organisational restructuring. The advantages of acquiring a catering company for GJ Belfrost include:

   - Reduce transportation costs if common ownership results in closer geographic proximity,
   - Improve supply chain coordination,
   - Capture greater profit margins,
   - Increase entry barriers to potential competitors.

He had been in the catering business in his early entrepreneurial days and he was not terribly enthusiastic about returning to this industry sector at this stage of his career.

2. Horizontal Integration

   This is the acquisition of a business at the same level of the supply chain; for GJ Befrost this would require the company buying a competitor in the food wholesale sector of the industry. Neil is aware that GJ Belfrost has many competitors, but if he decides to follow

through with this strategy, the acquisition would probably need to be of a competitor with a lower annual turnover and less assets as otherwise it would be quite difficult for GJ Belfrost to obtain the capital to acquire the company. Given that GJ Belfrost does not have a strong presence in the ethnic foods and meat sectors of this industry, one possibility is to acquire a wholesaler of these products. This would give GJ Belfrost considerable market power and increase the organisation's market share. For Neil to follow through with this strategy he would need to put in place an explicit horizontal strategy to ensure that GJ Belfrost will be able to financially and structurally cope with the acquisition of a competitor. The advantages of horizontal integration would include:

- Economies of scale,
- Economies of scope,
- Increased market power.

Given that just seven years previously Neil had purchased Belfrost Foods Ltd~~,~~ he was uncertain about his desire to go through a similar process so soon again.

Influencing Factors

The possibilities presented by the various growth strategies are very exciting to Neil, even if he was not terribly enthusiastic about some of them. The entrepreneur in him naturally enjoys a business challenge and he still 'gets a big kick' from buying and selling. He believes that it is this willingness to accept a challenge that has led to his business success today. However, it is also this entrepreneurial spirit that is making him question the merger with Bradfields as Neil has long ago recognised that he is a sole trader at heart. His sole trader mentality would find it very difficult to hand over control of his company to another management team. Neil found it difficult enough implementing the decentralised organisational structure that is in place today in GJ Belfrost which has resulted in him not being involved in every single decision of the business. His fondness for his business and doing business raised the question once more:

> *"Am I planning a growth strategy or an exit strategy for myself?"*

Neil must also consider the influencing factor of his age. Regardless of when he decides to implement his exit strategy, Neil is aware that it will take a number of years to put into operation. At 55 years of age, Neil raises the question:

> *"If I decide to stay and grow my business, will I be able to stay and follow it through? This is not going to be an easy task and whichever option I choose I know that it will take many years to put into operation. Am I ready and able for such a long-term commitment?"*

Furthermore, Neil has not fully examined the risks involved for his business with each strategy considered. Not only is implementing a new strategy a very time consuming operation, it is also very costly in both financial terms and with regard to employee morale. Neil has learned through his years in business that staff do not like change, and it can have negative consequences for sales and for the reputation of his business. There is also the consideration that the strategy of choice may not be successful. There are many factors that must work in order for the strategy of choice to be implemented successfully including customer preferences, industry development, competition and the strength of the market. The market has been adversely affected by the international economic crisis, both businesses and consumers are spending less, and currently there is very little risk being taken in most local industries. Would it be a good move for him to try to grow the business by spending lots of money? However, the fear of taking risk by his competitors and other members of the supply chain could be a wonderful opportunity for an entrepreneur such as himself who enjoys taking risks and has a considerable knowledge of his industry.

Conclusion

As Neil finished telling his mother the full array of his choices and the many questions that arose, he felt a weight beginning to lift from his shoulder. He was no nearer to an answer, but it felt good to simply share his thoughts. It was something that he could not really do with his management team because it would cause alarm amongst his workforce if he was to suggest that he was considering selling the company in the near future. Even the prospect of merging with another company would create uncertainty in the company, and what he needed right now was stability and security. But the discussion over a cup of tea with his mother had given him one idea that he could action immediately. Neil had previously turned to a management consultant that he knew for advice, and he trusted his judgement as it was grounded in common sense and it was usually focused on the practical steps that Neil would need to take to achieve his goals. The consultant would always begin by examining the current situation, then identify where Neil wanted to be in 3 or 5 years time, and finally develop with him a strategy that would get Neil to that point. This is what the consultant always referred to as the ‘roadmap’ because he felt that every business was an individual journey that needed to be navigated in a unique way. Neil wondered what advice he would get from the consultant on this occasion!

Appendix One: Financial Data

BELFROST FOODS LIMITED

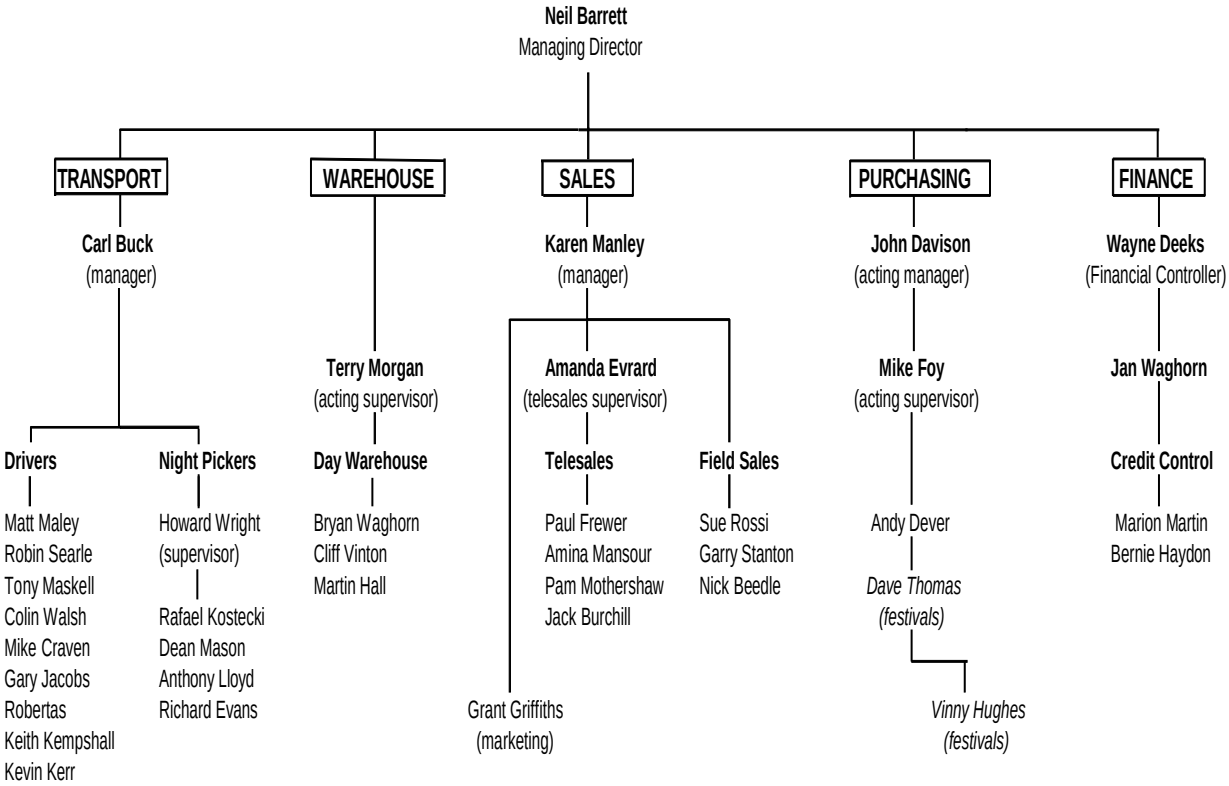
PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JULY 2010

	2010	2009
	£	£
TURNOVER	**8,070,715**	7,563,123
Cost of sales	**5,854,830**	5,422,800
GROSS PROFIT	**2,215,885**	2,140,323
Distribution costs	**1,268,225**	1,129,441
Administrative expenses	**747,037**	770,705
OPERATING PROFIT	**200,623**	240,177
Interest payable and similar charges	**8,919**	(69)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	**191,704**	240,246
Tax on profit on ordinary activities	**54,368**	(9,758)
PROFIT FOR THE FINANCIAL YEAR	**137,336**	250,004

Appendix Two: Organisational Structure

GJ BELFROST - CHART OF PERSONNEL STRUCTURE AND REPORTING HIERARCHY - MAY 2010



Appendix Three: Product Lines Offered by GJ Belfrost

Chilled Products

Milk Products – UHT
Milk & Cream Portions
Bacon Chilled
Cooked Meats Chilled
Eggs
Butter Substitutes & Spreads
Oil - Cooking Butter Sub
Butter
Butter, Marg & Spread Portions
Cooking Fats & Lard
Cream & Cream Products
Cream - Non Dairy
Yoghurt
Cheese - Block & Slices
Cheese – Grated
Cheese - Soft Cheese
Cheese – Speciality
Salads Chilled
Sandwich Fillers Chilled
Soups - Fresh Redemption Foods

Grocery Products

Sauces - Dip Pots – Branded	Vegetables - Canned Pasta
Sauces - Heinz Sauce O Mat System	Vegetables - Canned General
Sauces - Sachets – Branded	Pickles
Sauces – Sachets	Vinegars
Sauces - Table Tomato	Soups - Dehydrated Tubs
Sauces - Table Brown	Soups - Dehydrated Packets
Sauces - Table Mayonnaise	Soups - Knorr Mono-Pack
Sauces - Table Barbeque	Sugar
Sauces - Table Mustard	Sugar Sachets & Sticks
Sauces – Fruit	Sweeteners
Sauces - Table Worcester & Other	Preserves
Sauces - Table Salad Cream, Prawn Cocktail & Tartare Sauce	Preserves – Portions
Sauces - Table Horseradish & Mint Sauce	Pastes & Spreads
Sauces - Table Soy	Fruit - Canned – Juice
Salad Dressing	Fruit - Canned – Syrup
Relish & Chutney	Milk - Tinned & Powdered
Sauces – Oriental	Cereals – Breakfast
Accompaniments – Oriental	Cereals - Bulk & Bag
Sauces - Italian & Mediterranean	Cereals - Portion Packs
Sauces – Traditional	Nuts & Seeds – Dried
Sauces – American	Fruit – Dried
Accompaniments – American	Custard
Sauces – Indian	Syrup & Treacle
Accompaniments – Indian	Pie Fillings

Gravy	Dessert – Packets
Bouillon, Stocks & Bases	Dessert - Ice Cream Wafers
Stuffing, Breadcrumbs & Coating	Dessert – Jelly
Fish – Canned	Dessert - Sauces Toppings
Meats – Canned	Dessert – Sauces
Meat - Pouched Hot Dogs	Dessert - Ice Cream Sundries
Salt & Pepper	Flour
Potato Products	Baking Mixes – Others
Pasta – Dried	Baking Mixes - Cake & Sponge
Pulses - Rice & Cereal	Baking – Sundries
Rice	Baking - Essence & Flavour
Herbs & Spices Schwartz	Baking - Sundries Chocolate
Herbs, Spices & Seasonings	Baking - Cake & Pastry Bases
Oils – Speciality	Biscuits – Retail
Oil – Cooking	Biscuits - Catering Packs
Oil - Cooking-Long Life	Biscuits - Snack Packs
Pizza Sauce	Biscuits – Savoury
Vegetables - Canned Tomato	
Vegetables - Canned Baked Beans	

Snack Products

Crisps & Snacks	Soft Drinks - Water Sparkling
Crisps Snacks – Walkers	Soft Drinks – Others
Crisps, Nuts & Snacks Bulk	Soft Drinks - Bottled Britvic
Confectionery – Nestle	Soft Drinks - Canned & Bottle
Confectionery – Cadbury	Soft Drinks – Adult
Confectionery – Mars	Soft Drinks - Coca Cola
Confectionery – Others	Soft Drinks - Milk Syrups
Confectionery - Cereal Bars	Beverages - Tea Bulk & Catering
Confectionery - Dinner Mints	Beverages - Tea Speciality
Soft Drinks - Child & Others	Beverages – Coffee Instant
Soft Drinks – Cordials	Beverages – Coffee Sticks
Soft Drinks – Calypso	Beverages – Coffee Roasted Ground
Soft Drinks - Fruit Juice	Beverages – Chocolate
Soft Drinks - Water Still	Beverages – Others
Soft Drinks - Water Flavoured	Beverages - Non Alcoholic Culinary
Soft Drinks - Sparkling Water Flavoured	

Non-Food Products

Cleaning - Environmentally Friendly	Cleaning – Kitchen
Cleaning – General Purpose	Cleaning - Washing Up Liquid
Cleaning – Kitchen	Disposables – Bags, Bin Liners
Cleaning - Washing Up Liquid	Disposables – Napkins
Cleaning – Dishwash	Disposables – Cups & Lids
Cleaning - Bar & Cellar	Disposables – Tableware
Cleaning - Bleach & Disinfenctant	Disposables – Packaging
Cleaning – Laundry	Disposables - Biodegradeable Packaging
Cleaning – Washroom	Disposables – Others
Cleaning - Paper Hygiene	Southen Fried Chicken Fast Food
Cleaning Materials & Cloths	
Cleaning Materials - Mops & Brooms	

Frozen Products

Beefburgers & Burgers	Individual Portions - Pork Dishes
Bread - Baked Thaw and Serve	Individual Portions - Vegetarian Dishes
Bread - Buns, Baps & Hot Dog Rolls	Luxury Handmade Traditional Round Cakes
Bread - Part Baked	Meat - Coated, Marinated etc
Buffet - Cooked	Meat - Uncooked
Buffet - Deep fry	Microwaveable Filled Panini
Buffet - Oven Bake	Morning Goods
Buffet Dessert Range	Mozzarella & Pizza Cheeses
Cookies	Muffins
Crepes & Pancakes	Multi Portion Meals
Desserts - Cheesecakes	Multi Portion Puddings, Cakes & Tray-Bakes
Desserts - Classic & Speciality	Omelettes
Desserts - Freezer to Table	Pasta Meals
Desserts - Fruit Pies	Pastry & Pie Tops
Desserts - Individual	Pies & Pasties Baked
Desserts - Individual Luxury Puddings	Pies,Pasties & Puddings Unbaked
Desserts - Premium Continental Range	Pizza Bases
Desserts - Traditional Puddings (Individual)	Pizza Dough Balls
Desserts - Value Gateaux Range	Pizza Takeaway Packaging
Fish - Fish Cakes & Portions	Pizza Toppings - Chicken
Fish - Plain Fillets	Pizza Toppings - Halal
Fish - Scampi, Prawns & Seafood	Pizza Toppings - Meat
Fish - Smoked	Pizza Toppings - Other
Fish - Speciality Fish & Steaks	Potato - French Fries
Fish - Speciality Seafood	Potato - Specialities
Fish Fillets - Battered (skinned & boned)	Poultry - Cooked Chicken Products
Fish Fillets - Breaded - Natural Crumb	Poultry - Products Uncooked
Fruit	Poultry - Turkey Roasts
Fruit Smoothies	Poultry Products - Coated, Marinated etc.
Ice Cream - Fischer Dairy	Quiches (Ready Baked)
Ice Cream - Fischer Single Portion Desserts	Ready Made Pizzas
Ice Cream - Haagen-Dazs	Rice
Ice Cream - Impulse Products	Sauces - Ready made
Ice Cream - Individual Desserts	Sausage Rolls
Ice Cream - New Forest	Sausages
Ice Cream - Premium Swiss Movenpick All Natural	Starters
Ice Cream - Sundries & Ice	Tex-Mex Specialities
Ice Cream - Value Soft Scoop and Sorbets	Vegetables
Individual Portions - Beef Dishes	Vegetables - Bulk
Individual Portions - Chicken Dishes	Vegetarian Products
Individual Portions - Fish Dishes	Yorkshire Puddings Baked
Individual Portions - Lamb Dishes	