

COMPANY REGISTRATION  
NUMBER: 24168

JOHN MORRELL & COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1991

115 OCT 1992

JOHN MORRELL & COMPANY LIMITED

Company Number:  
24168

REPORT OF THE DIRECTORS  
for the year ended 31 December 1991

The directors present their report and audited accounts of the company for the year ended 31 December 1991.

#### Principal activities and business review

The principal activities of the company continued to be the manufacture and distribution of foodstuffs.

#### Results and dividends

Details of the results for the year are shown in the profit and loss account and the notes relating to it.

The directors do not recommend the payment of a dividend for the year.

#### Directors

The directors who have served during the year and details of their shareholdings and family interests as defined by the Companies Act 1985 in the ultimate parent undertaking are as follows:-

	Hillsdown Holdings plc	
	10p Ordinary Shares	
	31/12/91	1/1/91
B T Hunt	1,733	1,387
E T S Simpson	20,246	15,246

Neither of the directors had any beneficial interest in the company's shares as at the balance sheet date.

#### Tangible fixed assets

Movements in tangible fixed assets are shown in note 9 to the accounts.

JOHN MORRELL & COMPANY LIMITED

REPORT OF THE DIRECTORS (continued)  
for the year ended 31 December 1991

Disabled persons

The company gives full and fair consideration to employment applications from disabled persons, having regard to their particular aptitudes and abilities. If a person becomes disabled whilst in employment, the company takes all reasonable steps to ensure that his or her employment continues. So far as possible, the training, career development and promotion of a disabled person will be the same as that of a person who has no disability.

Close company

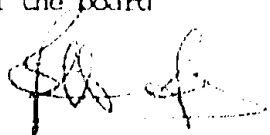
The company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

Auditors

Jayson Arnold & Fowell merged their practice with Newman Harris & Co on 1 December 1991 and now practise in the name of Jayson Newman. Accordingly they have signed their audit report in their new name. Jayson Newman have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

On behalf of the board

B T Hunt



Secretary  
11 March 1992

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JOHN MORRELL & COMPANY LIMITED

AUDITORS' REPORT

To the members of John Morrell & Company Limited

We have audited the financial statements on pages 4 to 10 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of affairs of the company at 31 December 1991 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

11 March 1992

Jayson Newman  
Chartered Accountants  
Registered Auditor  
48 Portland Place  
London W1N 4AJ

# JOHN BORRELL & COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 1991

	Note	£	1990 £
Turnover	2	7,462,472	13,143,057
Cost of sales		(6,428,487)	(11,565,803)
Gross profit		1,033,985	1,577,254
Administrative and distribution expenses		789,331	1,359,834
Operating profit		244,654	217,420
Interest payable	5	(3,000)	(25,374)
Profit on ordinary activities before tax	6	241,654	192,046
Taxation	7	-	-
Profit on ordinary activities after tax		241,654	192,046
Extraordinary item	8	181,984	-
Retained profit	17	423,638	192,046

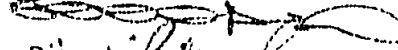
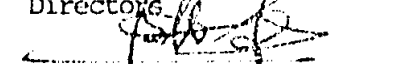
# JOHN MORRELL & COMPANY LIMITED

## BALANCE SHEET as at 31 December 1991

	Note	£	£	£	1990 £
Fixed assets					
Tangible assets	9		..		1,965,552
Investments	10		31,002		31,002
			<hr/>		<hr/>
			31,002		1,996,554
Current assets					
Stocks	12	603,888		1,324,250	
Debtors	13	3,643,297		1,914,882	
Cash in hand and at bank		2,746		822	
		<hr/>		<hr/>	
		4,249,931		3,239,954	
Creditors: amounts falling due within one year	14	1,651,932		2,938,220	
		<hr/>		<hr/>	
Net current assets			2,597,999		301,734
			<hr/>		<hr/>
Net assets			2,629,001		2,298,288
			<hr/>		<hr/>
Representing:					
Capital and reserves					
Called up share capital	15		1,767,800		1,767,800
Revaluation reserve	16		-		92,925
Profit and loss account	17		861,201		437,563
			<hr/>		<hr/>
Shareholders' funds			2,629,001		2,298,288
			<hr/>		<hr/>

Signed on behalf of the board of directors  
who approved the accounts on 11 March 1992

E T S Simpson )

)   
) Directors  
) 

B T Hunt )

JOHN MORRELL & COMPANY LIMITED

NOTES TO THE ACCOUNTS  
for the year ended 31 December 1991

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with relevant accounting standards.

Cash flow statements have not been prepared as the company has relied on certain exemptions contained in Financial Reporting Standard No. 1.

Consolidated financial statements

Consolidated financial statements accounts have not been prepared as the company is itself a wholly owned subsidiary.

Turnover

Turnover is the value of sales, excluding value added tax, of goods supplied and services rendered.

Stocks

Stocks have been valued at the lower of cost and net realisable value, due allowance being made for obsolete and slow moving stocks. Cost is actual invoice price together with freight and duty where appropriate. Canned and processed foods are valued at manufacturing cost which includes an appropriate proportion of manufacturing overheads.

Depreciation

Freehold land is not depreciated. Freehold buildings are depreciated over their estimated useful lives at a rate sufficient to reduce them to their estimated residual value. When properties are revalued, the depreciation thereafter provided is based on revalued depreciable amounts.

Rates of depreciation in use by the company write off:

Freehold buildings	5% per annum on net book amounts
Leasehold property	amortised over the remainder of the lease
Plant, machinery, fixtures and fittings	12.5% per annum
Motor cars	25% per annum
Motor lorries	20% per annum

Leasing

Fixed assets held under finance leases have been capitalised.

Deferred tax

Provision is not made for deferred tax where liability is not expected to arise in the foreseeable future.

JOHN MORRELL & COMPANY LIMITED

NOTES TO THE ACCOUNTS  
for the year ended 31 December 1991

2 Turnover

All turnover relates to sales within the United Kingdom.

3 Staff costs and numbers	1991	1990
	£	£
Wages and salaries	477,152	1,655,572
Social security costs	42,020	140,174
Other pension costs	2,250	1,875
	<hr/>	<hr/>
	521,422	1,797,621
	<hr/>	<hr/>

The average weekly number of persons employed  
by the company during the year was:

	Number	Number
Production and distribution	39	156
Marketing sales and general administration	2	6
	<hr/>	<hr/>
	41	162
	<hr/>	<hr/>

4 Directors emoluments

The directors did not receive emoluments during the year.

5 Interest payable	1991	1990
	£	£
On bank loans and overdrafts	-	166
Finance charges on finance leases	-	7,708
	<hr/>	<hr/>
	-	7,874
Group interest	3,000	17,500
	<hr/>	<hr/>
	3,000	25,374
	<hr/>	<hr/>

6 Profit on ordinary activities before tax

The profit before tax is arrived at after charging:

	1991	1990
	£	£
Directors' emoluments (note 4)	Nil	Nil
Depreciation	57,066	252,529
Auditors' remuneration	2,325	3,000
Plant hire	31,580	162,131
	<hr/>	<hr/>



JOHN MORRELL & COMPANY LIMITED

NOTES TO THE ACCOUNTS  
for the year ended 31 December 1991

7 Taxation

No tax is payable in respect of the result for the year (1990: Nil) in view of losses available.

8 Extraordinary item

The extraordinary item relates to a gain on disposal of assets.

9 Tangible fixed assets	Freehold land & buildings £	Plant, machinery & vehicles £	Total £
Cost or valuation			
At 1 January 1991	1,260,809	2,662,324	3,923,133
Disposals	(1,260,809)	(2,662,324)	(3,923,133)
	-----	-----	-----
At 31 December 1991	-	-	-
	-----	-----	-----
Depreciation			
At 1 January 1991	64,403	1,893,178	1,957,581
Charge for year	5,536	51,530	57,066
Disposals	(69,939)	(1,944,708)	(2,014,647)
	-----	-----	-----
At 31 December 1991	-	-	-
	-----	-----	-----
Net book value			
At 31 December 1991	-	-	-
	-----	-----	-----
At 31 December 1990	1,196,406	769,146	1,965,552
	-----	-----	-----

The freehold properties previously included at valuation were professionally valued by Fellows of the Royal Institution of Chartered Surveyors at open market value on a current use basis.

10 Fixed asset investments	1991 £	1990 £
Investments in subsidiaries (note 10)		
shares at cost	31,002	31,002
	-----	-----

11 Subsidiary companies

The company's wholly owned subsidiaries are the Victoria Cold Storage Company Limited and Spring Food Products Limited, both of which are incorporated in England and are dormant.

JOHN MORRELL & COMPANY LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1991.

12	Stocks	1991 £	1990 £
	Raw materials	-	294,320
	Finished goods and work in progress	603,888	1,029,930
		<hr/>	<hr/>
		603,888	1,324,250
		<hr/>	<hr/>
13	Debtors	1991 £	1990 £
	Trade debtors	119,888	1,808,834
	Amounts due from group undertakings	3,523,409	-
	Other debtors and prepayments	-	32,399
		<hr/>	<hr/>
		3,643,297	1,841,233
	Amounts due after more than one year	-	73,649
		<hr/>	<hr/>
		3,643,297	1,914,882
		<hr/>	<hr/>
14	Creditors: amounts falling due within one year	1991 £	1990 £
	Trade creditors	437,470	1,171,798
	Amount owed to immediate holding company	26,215	26,215
	Amount owed to intermediate holding company	1,111,020	1,074,494
	Amounts owed to other group undertakings	33,767	33,767
	Taxation and social security costs	-	26,875
	Other creditors and accruals	43,460	605,071
		<hr/>	<hr/>
		1,651,932	2,938,220
		<hr/>	<hr/>
15	Share capital		
	Authorised, allotted and fully paid	1991 £	1990 £
	750,000 ordinary shares of £1 each	750,000	750,000
	400,000 "A" 11% convertible cumulative redeemable participating preference shares of £1 each	400,000	400,000
	400,000 "B" 11% convertible cumulative redeemable participating preference shares of £1 each	400,000	400,000
	217,800 deferred shares of £1 each	217,800	217,800
		<hr/>	<hr/>
		1,767,800	1,767,800
		<hr/>	<hr/>

Joyson Newman

JOHN MORRELL & COMPANY LIMITED

NOTES TO THE ACCOUNTS  
for the year ended 31 December 1991

16	Revaluation reserve	1991 & 1990	
		£	
	Balance brought forward	92,925	
	Movement in 1991	(92,925)	
		<hr/>	
		-	
		<hr/>	
17	Profit and loss account	1991	1990
		£	£
	Balance brought forward	437,563	245,517
	Movements in year		
	Profit for year	423,638	192,046
		<hr/>	<hr/>
	Balance carried forward	861,201	437,563
		<hr/>	<hr/>
18	Ultimate parent undertaking		
	The company's ultimate parent undertaking Hillsdown Holdings plc, a company incorporated in England.		

John Newman