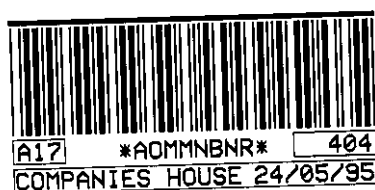


C.& T. HARRIS (CALNE) LIMITED

DIRECTORS' REPORT AND ACCOUNTS  
FOR YEAR ENDED 31st DECEMBER, 1994

Registered Number: 183952



## C. & T. HARRIS (CALNE) LIMITED

### DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 31st December, 1994.

#### BUSINESS REVIEW

On 1st January, 1994 the ownership of certain subsidiary undertakings was transferred to the Company from FMC plc, a fellow subsidiary undertaking of Hillsdown Holdings plc. The profit for the year includes dividends from those subsidiaries. The Company's own trading profits were down in a very difficult year.

#### ACTIVITIES

The principal activity of the Company continues to be meat processing. At the beginning of the financial year the Company's imported meat operations were transferred to one of its subsidiary undertakings. The Company also took over the activities of another subsidiary together with all its assets and undertakings.

#### RESULTS

Summarised results of the Company for the year are:

	1994 £	1993 £
Turnover	90,008,311	63,501,072
	=====	=====
Profit on ordinary activities before taxation	9,173,569	2,128,346
Tax on ordinary activities	406,665	(589,000)
	-----	-----
Profit for the financial year	9,580,234	1,539,346
Dividend paid	(2,500,000)	(1,750,000)
	-----	-----
	7,080,234	(210,654)
	=====	=====

#### DIVIDEND

During the year a dividend of £2,500,000 was paid for 1994 (1993: £1,750,000). The directors recommend that no further dividend be paid and that the balance of £7,080,234 be carried forward to reserves.

# C.& T. HARRIS (CALNE) LIMITED

## DIRECTORS' REPORT

### DIRECTORS

Details of the directors who served during the year are:

M N Buswell (resigned 20.12.94)  
A P Daniels  
D J Gray (appointed 20.12.94)  
A J Hewitt (resigned 20.12.94)  
C E Jay  
W D Life

No director had any interest in the shares of the Company.

The declarable share interests of other directors who held office at 31st December, 1994, are as follows:

	Hillsdown Holdings plc 10p Ordinary Shares	
	31.12.94	31.12.93 or date of appointment
A P Daniels	-	-
A J Hewitt	-	-
C E Jay	63,331	73,331
W D Life	7,004	6,658
D J Gray	6,131	6,131

### DIRECTORS' INTERESTS IN MATERIAL CONTRACTS

No director was or is materially interested in any contract, subsisting during or at the end of the financial year which was significant in relation to the Company's business.

### FIXED ASSETS

Movements in tangible fixed assets are shown in Note 11 to the accounts.

## C. & T. HARRIS (CALNE) LIMITED

### DIRECTORS' REPORT

#### EMPLOYEES

The maintenance of a loyal and highly skilled workforce is a key to the future of the business, and the Company recognises that, where appropriate, employees should be informed of the progress of the business.

It is the Company's policy to give full and fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities and to ensure that any disabled person who is in employment with the Company receives, so far as is practicable, the same opportunities for training, career development and promotion as other employees.

#### AUDITORS

At the Company's last Annual General Meeting, KPMG Peat Marwick were reappointed as auditors of the Company. On 6th February, 1995 the auditors changed the name under which they practise to KPMG and, accordingly have signed their report in their new name. In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



O S SHAW  
Secretary

28<sup>th</sup> March, 1995

## C.& T. HARRIS (CALNE) LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

REPORT OF THE AUDITORS, KPMG,  
TO THE MEMBERS OF C.& T. HARRIS (CALNE) LIMITED

We have audited the financial statements on pages 6 to 22.

Respective responsibilities of directors and auditors

As described on page 4 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st December, 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985



KPMG  
Chartered Accountants  
Registered Auditors  
Swindon

29 March, 1995

# C. & T. HARRIS (CALNE) LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 31st December, 1994

	Note	Continuing operations 1994 £	Acquisitions 1994 £	Total 1994 £	Total 1993 £
Turnover	3	47,979,512	42,028,799	90,008,311	63,501,072
Cost of sales		(43,038,742)	(39,054,217)	(82,092,959)	(58,597,085)
Gross profit		4,940,770	2,974,582	7,915,352	4,903,987
Net operating expenses	4	(4,892,056)	(3,095,329)	(7,987,385)	(3,625,710)
Operating (loss)/profit	5	48,714	(120,747)	(72,033)	1,278,277
Income from shares in group undertakings				9,703,288	-
Interest receivable	6			169,681	1,686,227
Interest payable	7			(627,367)	(836,158)
Profit on ordinary activities before taxation				9,173,569	2,128,346
Tax on profit on ordinary activities	10			406,665	(589,000)
Profit on ordinary activities after taxation				9,580,234	1,539,346
Dividend paid				(2,500,000)	(1,750,000)
Retained profit for the financial year				7,080,234	(210,654)

The directors consider that the result shown above and the result on an unmodified historical cost basis are not materially different.

The analysis of continuing and discontinued operations for 1993 is given in note 4

The attached notes form part of these accounts

**C. & T. HARRIS (CALNE) LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

for the year ended 31st December, 1994

	1994 £	1993 £
Profit for the financial year	9,580,234	1,539,346
Unrealised surplus on revaluation of investment in subsidiary undertakings	8,318,480	—
Total recognised gains and losses relating to the year	----- 17,898,714 =====	----- 1,539,346 =====



# C. & T. HARRIS (CALNE) LIMITED

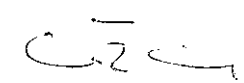
## BALANCE SHEET

at 31st December, 1994


	Note	1994 £	1993 £
<b>FIXED ASSETS</b>			
Tangible assets	11	20,433,395	11,583,217
Investments	12	8,318,489	—
		<hr/> 28,751,884	<hr/> 11,583,217
<b>CURRENT ASSETS</b>			
Stocks	13	3,427,878	2,050,476
Debtors	14	25,552,493	23,216,637
Cash at bank and in hand		5,575	4,865
		<hr/> 28,985,946	<hr/> 25,271,978
<b>CREDITORS:</b>			
amounts falling due within one year	15	(34,558,100)	(31,821,343)
<b>NET CURRENT LIABILITIES</b>		<hr/> (5,572,154)	<hr/> (6,549,365)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> 23,179,730	<hr/> 5,033,852
<b>CREDITORS:</b>			
amounts falling due after more than one year	16	(741,494)	(219,330)
<b>NET ASSETS</b>		<hr/> 22,438,236	<hr/> 4,814,522
		<hr/> <hr/>	<hr/> <hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	4,182,785	1,957,785
Revaluation reserve	19	8,867,710	550,230
Other reserves	19	1,614,218	1,614,218
Profit and loss account	19	7,773,523	692,289
<b>SHAREHOLDERS' FUNDS</b>		<hr/> 22,438,236	<hr/> 4,814,522
		<hr/> <hr/>	<hr/> <hr/>

Signed on behalf of the Board of Directors  
who approved the accounts on 28<sup>th</sup> March, 1995

C E JAY

)   
) Directors

A P DANIELS

) 

The attached notes form part of these accounts

## C.& T. HARRIS (CALNE) LIMITED

Notes to the Accounts  
for the year ended 31st December, 1994

### 1. BASIS OF PREPARATION OF ACCOUNTS

The parent company, Hillsdown Holdings plc, has agreed to provide support to the Company so that liabilities to third party creditors are met as and when they fall due.

### 2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Company's accounts.

#### Basis of Accounting

The accounts are prepared in accordance with relevant accounting standards, under the historical cost convention as modified by the revaluation of certain properties.

#### Cash Flow Statement

The Company is exempt from Financial Reporting Standard No 1, "Cash Flow Statement", being a wholly owned subsidiary of Hillsdown Holdings plc which prepares a Consolidated Cash Flow Statement dealing with Cash Flows of the Group.

#### Investment in Subsidiary Undertakings

The investment in each subsidiary undertaking, which has net assets at the balance sheet date, is stated at net asset value. For each investment which has a deficiency of net assets any debt due to the Company has been written off. Any surplus arising on revaluation is taken to revaluation reserve. Deficiencies on revaluation are taken to revaluation reserve and offset against previous revaluation surpluses; any excess deficiency is charged to profit and loss account.

#### Turnover

Turnover represents the amount invoiced, exclusive of value added tax for processed meat products and other goods supplied and services rendered.

#### Fixed Assets and Depreciation

Grants receivable in respect of fixed assets are credited to a deferral account and are released to revenue over the expected useful lives of the relevant assets by equal annual amounts. Interest costs incurred on the funding of major capital projects are capitalised in so far as they relate to the period of construction. The charge for depreciation (other than land and buildings) is calculated in general on a straight line basis by reference to net cost and the expected useful lives of the assets concerned.

## C.& T. HARRIS (CALNE) LIMITED

Notes to the Accounts  
for the year ended 31st December, 1994

### 2. ACCOUNTING POLICIES continued

#### Fixed Assets and Depreciation continued

Plant and machinery	10-20%
Fixtures, fittings, tools and equipment	10%
Motor vehicles	25%

Freehold buildings are depreciated at 1% per annum based upon valuation and subsequent costs.

Leasehold properties are amortised over the period of the lease. A long lease is regarded as being a lease in excess of 50 years.

Revaluation surpluses/deficits realised on the disposal of land and buildings are included in the profit and loss account.

#### Research and Development

Research and development expenditure and advertising and promotional expenditure is charged against revenue in the year in which it is incurred.

#### Stocks and Work in Progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes an appropriate proportion of overheads incurred in the normal course of business in bringing the product to its present location and condition.

#### Deferred Tax

Provision is calculated on the liability method for deferred tax resulting from short term timing differences between profits computed for taxation purposes and profits as stated in the accounts. Provision is not made for other timing differences where liability is not expected to arise in the foreseeable future.

## C. & T. HARRIS (CALNE) LIMITED

Notes to the Accounts  
for the year ended 31st December, 1994

### 2. ACCOUNTING POLICIES continued

#### Foreign Currencies

Transactions denominated in foreign currencies are translated into sterling and recorded at rates of exchange ruling at the date of the transaction. Balances in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with through the profit and loss account.

#### Pension Costs

The Company is a member of two schemes, the HF Meat and Foods Processing Pension Scheme and the FMC Pension and Life Assurance Scheme. The scheme funds are administered by trustees and are independent of the Company's finances. Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company.

#### Leasing

Finance leases relating to significant items of plant, machinery and vehicles have been capitalised and depreciated in accordance with the Company's depreciation policy. The capital element of future lease payments is included in other creditors.

Payments under operating leases are charged wholly to the profit and loss account in the year in which they are incurred.

### 3. TURNOVER

The analysis of turnover (originating and marketed wholly in the United Kingdom) is as follows:

	1994 £	1993 £
Third parties	84,141,761	59,445,034
Group undertakings	5,866,550	4,056,038
	<hr/>	<hr/>
	90,008,311	63,501,072
	<hr/>	<hr/>

Notes to the Accounts  
for the year ended 31st December, 1994

With analysis of Turnover and Cost of sales for 1993

	1994	1993	
	Continuing £	Acquisitions £	Total £
			Discontinued £
			Total £
Turnover			63,501,072
Cost of Sales			(58,597,085)
Net Operating expenses			
Distribution costs	(2,187,183)	(1,902,057)	(127,618)
Administrative expenses	(2,704,873)	(1,193,272)	(41,600)
	(4,892,056)	(3,095,329)	(169,218)
Operating Profit			247,625
			1,278,277

## C. & T. HARRIS (CALNE) LIMITED

Notes to the Accounts  
for the year ended 31st December, 1994

### 5. OPERATING PROFIT

The operating profit derives entirely from the Company's activity of meat processing and originates wholly in the United Kingdom.

The operating profit is arrived at after crediting:

	1994 £	1993 £
Government grants relating to fixed assets	45,811 =====	8,914 =====
and after charging:		
Exceptional reorganisation and redundancy costs	900,000	-
Directors' emoluments (including pension contributions) See note 9	288,433	272,426
Depreciation of tangible fixed assets	1,362,871	717,127
Operating lease payments:		
Plant and machinery	1,598,031	835,716
Land and buildings	474,089	17,500
Auditors' remuneration	19,940 =====	(see note) =====

Note: Auditors' remuneration for 1993 was charged on a group basis. No remuneration has been paid to the auditors for non-audit work during 1994 or 1993.

### 6. INTEREST RECEIVABLE

	1994 £	1993 £
From group undertakings	159,435	1,686,227
From bank deposit accounts and short term loans	10,246 -----	- -----
	169,681 =====	1,686,227 =====

# C. & T. HARRIS (CALNE) LIMITED

Notes to the Accounts  
for the year ended 31st December, 1994

## 7. INTEREST PAYABLE

	1994 £	1993 £
To group undertakings	355,178	790,013
On bank loans, overdrafts and other loans repayable within 5 years	272,189	46,145
	-----	-----
	627,367	836,158
	=====	=====

## 8. STAFF NUMBERS AND COSTS

The average number of persons employed by the Company during the year was as follows:

	1994 Number	1993 Number
Management	23	18
Administration	70	44
Production and Distribution	995	506
	-----	----
	1,088	568
	=====	=====

The aggregate payroll costs of these persons were as follows:

	1994 £	1993 £
Wages and salaries	12,368,420	6,020,836
Social security costs	1,081,557	518,311
Other pension costs	125,307	5,000
	-----	-----
	13,575,284	6,544,147
	=====	=====

## C.& T. HARRIS (CALNE) LIMITED

Notes to the Accounts  
for the year ended 31st December, 1994

### 9. DIRECTORS' EMOLUMENTS (excluding pension contributions)

	1994	1993
	£	£
Chairman's Emoluments	—	—
Highest paid director	129,000	139,000

The emoluments of the directors (including the chairman and the highest paid director) were within the following ranges.

	Number	Number
£0 – £5,000	3	2
£50,001 – £55,000	1	1
£80,001 – £85,000	1	1
£125,001 – £130,000	1	—
£135,001 – £140,000	—	1

### 10. TAX ON PROFIT ORDINARY ACTIVITIES

	1994	1993
	£	£
Corporation tax credit/(charge) at 33% based on profit for year	69,064	(589,000)
Adjustment in respect of prior years	337,601	—
	-----	-----
	406,665	(589,000)
	=====	=====

The taxation credit for the year has been increased by an excess of capital allowances over depreciation of £524,000 (1993: charge reduced by £385,000).

If deferred taxation were provided for all reversing timing differences the stated tax charge would be increased by £188,000 (1993: increased by £121,000)



# C. & T. HARRIS (CALNE) LIMITED

Notes to the Accounts  
for the year ended 31st December, 1994

## 11. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant machinery & vehicles £	Total £
Cost/valuation			
At 01.01.94	7,952,302	8,010,959	15,963,261
Additions	251,746	1,994,029	2,245,775
Acquired from group undertakings	5,188,695	6,492,797	11,681,492
Disposals	—	(83,185)	(83,185)
Transfers to group undertakings	—	(8,374)	(8,374)
At 31.12.94	13,392,743	16,406,226	29,798,969
Being:			
Cost	6,762,743	16,406,226	23,168,969
Valuation 1990	6,630,000	—	6,630,000
	13,392,743	16,406,226	29,798,969
Depreciation:			
At 01.01.94	159,493	4,220,551	4,380,044
Charged in year	146,754	1,216,117	1,362,871
Acquired from group undertakings	288,169	3,395,618	3,683,787
Disposals	—	(60,371)	(60,371)
Transfers to group undertakings	—	(757)	(757)
At 31.12.94	594,416	8,771,158	9,365,574
Net book value			
At 31.12.94	12,798,327	7,635,068	20,433,395
At 31.12.93	7,792,809	3,790,408	11,583,217

# C. & T. HARRIS (CALNE) LIMITED

Notes to the Accounts  
for the year ended 31st December, 1994

## 11. TANGIBLE FIXED ASSETS continued

The directors have considered the value of the fixed assets of the Company, without revaluing all assets, and they are satisfied that the aggregate value of those assets at 31st December, 1994, is not less than the aggregate amount at which they are stated in the Company's accounts.

The depreciable amount of freehold land and buildings at 31st December, 1994, was £11,361,656 (1993: £6,155,907)

The amount of land and buildings (included above at a valuation) determined according to the historical cost accounting rules is as follows:

	1994 £	1993 £
Cost	5,405,134	5,405,134
Depreciation	(595,551)	(543,673)
Net Book Value	4,809,583	4,861,461
	=====	=====

## 12. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £
Acquired during the year	9
Surplus on revaluation	8,318,480
Valuation at 31.12.94	8,318,489
	=====

During the year the Company acquired 9 subsidiaries from F.M.C. plc., another Hillsdown group company, for £1 each. Subsequently some of these subsidiaries paid dividends to the Company. At the year end the carrying value of the subsidiaries was revalued to reflect the underlying net assets. The book and fair values at acquisition of the subsidiaries acquired were as follows:

	Book/fair value £
Fixed assets	24,718,900
Investments	200,000
Stocks	4,167,256
Debtors	77,047,932
Cash	517,228
Overdrafts	(5,396,166)
Creditors and provisions	(85,959,311)
	-----
	15,295,839
	=====

# C. & T. HARRIS (CALNE) LIMITED

Notes to the Accounts  
for the year ended 31st December, 1994

13. STOCKS	1994 £	1993 £
Raw materials and consumables	931,454	533,780
Work in progress	1,699,015	851,569
Finished goods and goods for resale	797,409	665,127
	-----	-----
	3,427,878	2,050,476
	=====	=====
14. DEBTORS amounts falling due within one year:	1994 £	1993 £
Trade debtors	6,648,397	5,871,487
Amounts owed by fellow subsidiary undertakings	1,326,650	16,857,410
Amounts owed by subsidiary undertakings	16,664,829	-
Corporation tax recoverable	139,249	74,775
Other debtors	463,859	283,355
Prepayments and accrued income	309,509	124,610
	-----	-----
	25,552,493	23,211,637
Amounts falling due after more than one year:		
Other debtors	-	5,000
	-----	-----
	25,552,493	23,216,637
	=====	=====
15. CREDITORS: amounts falling due within one year	1994 £	1993 £
Bank overdraft	2,876,485	1,178,329
Trade creditors	15,258,254	7,909,746
Amounts owed to parent undertaking and fellow subsidiary undertakings	7,767,517	20,971,152
Amounts owed to subsidiary undertakings	5,359,100	-
Corporation tax	589,000	782,090
Other taxes and social security	635,314	578,420
Accruals and deferred income	2,072,430	401,606
	-----	-----
	34,558,100	31,821,343
	=====	=====

# C. & T. HARRIS (CALNE) LIMITED

Notes to the Accounts  
for the year ended 31st December, 1994

## 16. CREDITORS: amounts falling due after more than one year

	1994 £	1993 £
Accruals and deferred income	741,494 =====	219,330 =====

## 17. DEFERRED TAXATION

The full potential liability, calculated on the liability method, is set out below:

	1994 £	1993 £
Accelerated capital allowances	2,386,478	1,258,000
Other timing differences	(16,500)	(35,000)
	-----	-----
	2,369,978 =====	1,223,000 =====

No deferred taxation has been provided in the accounts as the timing differences referred to above are expected to continue for the foreseeable future.

The full potential liability has been calculated at the rates of taxation which would be appropriate if the timing differences were to reverse

## 18. CALLED UP SHARE CAPITAL

Authorised:	1994 £	1993 £
5,000,000 ordinary shares of £1 each	5,000,000 =====	5,000,000 =====
Allotted, called up and fully paid:		
4,182,785 ordinary shares of £1 each	4,182,785 =====	1,957,785 =====

On 30th December, 1994 the company allotted ordinary 2,225,000 shares of £1 each for a consideration of £2,225,000 in order to increase the capital base of the Company.

**C. & T. HARRIS (CALNE) LIMITED**

Notes to the Accounts  
for the year ended 31st December, 1994

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss £	Shareholders' funds £
At 1st January 1994	1,957,785	550,230	1,614,218	692,289	4,814,522
Movements in year:					
Profit retained	-	-	-	7,080,234	7,080,234
Revaluation reserve realised	-	(1,000)	-	1,000	-
Issue of ordinary shares	2,225,000	-	-	-	2,225,000
Increase in value of investments in subsidiaries	-	8,318,480	-	-	8,318,480
Net addition	2,225,000	8,317,480	-	7,081,234	17,623,714
At 31st December, 1994	4,182,785	8,867,710	1,614,218	7,773,523	22,438,236

## C. & T. HARRIS (CALNE) LIMITED

Notes to the Accounts  
for the year ended 31st December, 1994

### 20. COMMITMENTS

Capital commitments for which no provision has been made in these accounts, were as follows:

	1994 £	1993 £
Contracted	-	166,495
Authorised but not contracted for	-	-
	=====	=====

The minimum annual lease payments to which the Company was committed under non-cancellable operating leases at 31st December 1994, were as follows:

	Property £	Plant Machinery & Vehicles £
On leases expiring:		
Within one year	-	150,920
Between two and five years	-	1,036,374
Over five years	475,825	75,299
	-----	-----
	475,825	1,262,593
	=====	=====

### 21. CONTINGENT LIABILITIES

Under the terms of an agreement with Midland Bank plc the Company is liable under an unlimited cross-guarantee for the total liabilities of its subsidiary F.M.C. (Meat) Limited with the bank. The contingent liabilities under this arrangement amount to approximately £1,703,000 at 31st December, 1994 (1993: £2,035,000)

### 22. PENSIONS

The Company is a member of a group scheme, the HF Meat and Foods Processing Pension Scheme which is of the funded defined benefit type. An actuarial review of the Scheme was made at April 1994, further details of the scheme can be found in the accounts of Hillsdown Ambient Foods Group Limited. The Company's share of pension costs in respect of the group scheme for 1994 was £125,307 (1993: £5,000)

The Company operates a defined benefit pension scheme, the FMC Pension and Life Assurance Scheme. The Scheme's funds are administered by trustees and are independent of the Company's finances.

## C. & T. HARRIS (CALNE) LIMITED

Notes to the Accounts  
for the year ended 31st December, 1994

### 22. PENSIONS continued

Contributions have been assessed in accordance with the advice of a qualified actuary using the Projected Unit Method with the pension cost for 1994 being £Nil (1993 £Nil). An actuarial review of the Scheme was made at December 1994 with the principal actuarial assumptions being that salaries would increase at 2.5% more than price inflation and that dividends would increase at 1.5% less than the rate of salary growth. Full allowance was made for pensions in payment to increase as required by statute and in accordance with the rules of the scheme and also to reflect the past established practice within the Company.

At the date of the latest actuarial review, the market value of the assets was £3,889,000 and the actuarial value of the assets was sufficient to cover 778% of the benefits that had accrued to members after fully allowing for future salary increases. The surplus is being amortized over the expected remaining service lives of current employees.

### 23. ULTIMATE PARENT COMPANY

The ultimate parent company is Hillsgdown Holdings plc a company limited by shares, incorporated in Great Britain and registered in England and Wales. Copies of the group accounts can be obtained from the Company Secretary, Hillsgdown Holdings plc, 32 Hampstead High Street, London, NW3 1QD

### 24. PRINCIPAL SUBSIDIARIES

The Company held 100% of the ordinary share capital of the following operating companies at 31st December, 1994.

Farm Kitchen Foods Limited  
F.M.C. (Meat) Limited  
FMC (North Devon) Limited

These companies are registered in England and Wales and operate in the United Kingdom.

The Company also holds all the issued share capital of 6 non-trading subsidiaries.

In accordance with section 228 of the Companies Act 1985, consolidated accounts of the Company and its subsidiaries have not been prepared since the Company is a wholly owned subsidiary of Hillsgdown Holdings plc, a company incorporated in Great Britain, in whose consolidated accounts results of the Company are included.