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Accounts

THE PIG IMPROVEMENT
COMPANY LIMITED
(formerly Pig Improvement
Company Limited)

30th June 1983

 Spicer and Pegler
Chartered Accountants
INTERNATIONALLY SPICER AND OPPENHEIM



THE PIG IMPROVEMENT COMPANY LIMITED
(formerly Pig Improvement Company Limited)

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REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts for the year ended 30th June 1983.

PRINCIPAL ACTIVITY

The principal activity of the company is the breeding of pigs.

CHANGE OF NAME

On 14th September 1982 the company changed its name from Pig Improvement Company Limited to The Pig Improvement Company Limited.

REVIEW OF THE BUSINESS

A satisfactory performance was achieved in the year under review having regard to market conditions.

A summary of the main performance indicators is given below:

	1983	1982
Turnover	13,051,873	12,109,842
Gross margin	3,760,897	3,770,995
Net profit before tax	464,250	866,093

The directors consider that the company was in a position at the year end to enable it to take advantage of any improvement in market conditions.

ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Dalgety PLC which is incorporated in England.

RESULTS AND DIVIDEND

The results for the year are set out in the profit and loss account on page 5. The directors propose the payment of a dividend of £956,836 for the year, after transferring £170,293 from reserves.

REPORT OF THE DIRECTORS

DIRECTORS

The directors who served on the board during the year, together with their interests in the shares of the holding company, Dalgety PLC, were as follows:

	Ordinary shares of £1 each in Dalgety PLC	
	1983	1982 or date of appointment
K.W. Woolley	1,281	2,381
Dr. M. Bichard	183	183
M.E. Warren (resigned 25th August 1983)	—	—
R.G. McCreery	—	—
R.L. Richardson (appointed 21st October 1982)	nil	nil
A.G. Williams (resigned 21st October 1982)	nil	nil

Mr. R.G. McCreery is a director of Dalgety Spillers Agriculture Limited and his interest in the shares of Dalgety PLC is shown in the accounts of that company.

Mr. M.E. Warren is also a director of Dalgety PLC and his interest is shown in the accounts of that company.

The undermentioned directors hold options to subscribe for ordinary shares in Dalgety PLC under the terms of the Dalgety PLC Executive Share Option Scheme. These options are exercisable until October 1984 for Dr. Bichard and March 1986 for Mr. Richardson at prices of 203p and 330p per share respectively.

	1983	1982 or date of appointment
Dr. M. Bichard	1,186	1,186
R.L. Richardson	1,600	2,932

LAND AND BUILDINGS

A valuation of the company's freehold and leasehold properties was carried out on 30th June 1982 by professional valuers as shown in note 9, the values arrived at being incorporated in the accounts at that date. The directors are of the opinion that as the assets are fully utilised in the business of the company, any difference between market value and book value is not of significance.

DISABLED PERSONS

The policy of the company for the employment of disabled persons is to provide equal opportunities with other employees to train for and attain any position in the group, having regard to the maintenance of a safe working environment and the constraints of their disabilities.

REPORT OF THE DIRECTORS

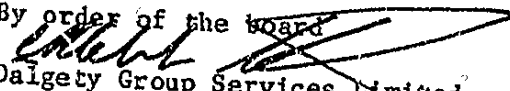
CLOSE COMPANY STATUS

The company is not a close company as defined by the Taxes Acts.

AUDITORS

A resolution to reappoint the auditors, Spicer and Pegler, will be proposed at the Annual General Meeting.

19 Hanover Square,
London, W1R 9DA

By order of the board

Daigety Group Services Limited

Secretary

30th September 1983

THE PIG IMPROVEMENT COMPANY LIMITED
(formerly Pig Improvement Company Limited)

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AUDITORS' REPORT TO THE MEMBERS OF THE PIG IMPROVEMENT COMPANY LIMITED

We have audited the financial statements on pages 5 to 19 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention as modified by the revaluation of land and buildings, give a true and fair view of the state of affairs of the company at 30th June 1983 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

London, E.C.3.

30 September 1983

Spier Kegel

Chartered Accountants

THE PIG IMPROVEMENT COMPANY LIMITED
(formerly Pig Improvement Company Limited)

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PROFIT AND LOSS ACCOUNT
for the year ended 30th June 1983

	Note	1983	1982
TURNOVER	1	<u>13,051,873</u>	<u>12,109,842</u>
ORDINARY ACTIVITIES			
PROFIT BEFORE TAXATION	2	464,250	866,093
TAXATION	5	—	7,406
PROFIT AFTER TAXATION		<u>464,250</u>	<u>873,499</u>
EXTRAORDINARY INCOME	6	344,468	171,916
EXTRAORDINARY CHARGES	7	<u>(22,175)</u>	<u>(70,101)</u>
EXTRAORDINARY PROFIT		<u>322,293</u>	<u>101,815</u>
PROFIT AFTER EXTRAORDINARY ITEMS		786,543	975,314
AMOUNTS TRANSFERRED FROM RESERVES		<u>170,293</u>	—
		956,836	975,314
DIVIDENDS	8	<u>(956,836)</u>	<u>(669,677)</u>
RETAINED PROFIT FOR THE YEAR		<u>£ —</u>	<u>£305,637</u>

THE PIG IMPROVEMENT COMPANY LIMITED
(formerly Pig Improvement Company Limited)

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BALANCE SHEET
30th June 1983

	Note	1983	1982
FIXED ASSETS			
Tangible assets	9	2,513,948	2,095,701
Investments	10	1,041,278	739,584
		<u>3,555,226</u>	<u>2,835,285</u>
CURRENT ASSETS			
Stocks	11	2,444,552	1,617,231
Debtors	12	2,433,071	1,738,778
Cash at bank and in hand		2,719	1,701
		<u>4,900,342</u>	<u>3,357,710</u>
CREDITORS — AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank loans and overdrafts	13	2,553,814	179,558
Sundry creditors	13	2,169,621	1,619,885
		<u>4,723,435</u>	<u>1,799,443</u>
NET CURRENT ASSETS		<u>176,907</u>	<u>1,558,267</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,732,133</u>	<u>4,393,552</u>
CREDITORS — AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	3,286,677	3,700,000
PROVISION FOR LIABILITIES AND CHARGES	15	<u>6,000</u>	<u>48,000</u>
		<u>£439,456</u>	<u>£645,552</u>
CAPITAL AND RESERVES			
Called up share capital	16	185,716	185,716
RESERVES			
Share premium account	17	8,000	8,000
Revaluation reserve	18	—	548,623
Other reserves	19	7,546	20,040
Profit and loss account	19	238,194	(116,827)
TOTAL RESERVES	20	<u>253,740</u>	<u>459,836</u>
SHAREHOLDERS' FUNDS		<u>£439,456</u>	<u>£645,552</u>
APPROVED BY THE BOARD OF DIRECTORS			

30th September 1983

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(formerly Pig Improvement Company Limited)

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SOURCE AND APPLICATION OF FUNDS
for the year ended 30th June 1983

	1983	1982
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	464,250	866,093
Movements on exchange	1,749	(89,314)
Items not involving the movement of funds		
Depreciation and other amounts written off		
Tangible fixed assets	299,831	315,398
Major provisions	6,000	48,000
	<u>305,831</u>	<u>363,398</u>
FUNDS GENERATED FROM OPERATIONS	771,830	1,140,177
FUNDS FROM OTHER SOURCES		
Reclassification from investments to current assets		350,049
Repayment of loan by subsidiary	35,211	
Proceeds of sale of fixed assets	30,716	423,846
NET SOURCE OF FUNDS	<u>837,757</u>	<u>1,914,072</u>
APPLICATION OF FUNDS		
Cost of sale of subsidiary company		(88,216)
Dividends paid by the company	(669,677)	
Purchase of fixed assets	(748,794)	(492,932)
Loan capital repaid - group	(413,323)	(987,050)
Additional loan to subsidiary company	(38,560)	
Additional investment in related company	(13,604)	
Provisions utilised	(48,000)	(367)
Increase in working capital	(1,279,037)	(31,514)
NET REDUCTION OF FUNDS	<u>(3,210,995)</u>	<u>(1,600,079)</u>
(DECREASE) INCREASE IN LIQUID FUNDS	<u>£(2,373,238)</u>	<u>£313,993</u>
(Increase) decrease in working capital		
Debtors	(445,250)	(402,251)
Stock	(827,321)	425,504
Creditors	168,523	259,697
Group company indebtedness	(174,989)	(314,464)
	<u>£(1,279,037)</u>	<u>£(31,514)</u>

ACCOUNTING POLICIES
for the year ended 30th June 1983

1. COMPANIES ACT 1981

These accounts are prepared in compliance with the Companies Act 1981.

2. CONSOLIDATION

Consolidated accounts have not been prepared as the company is a wholly owned subsidiary of Dalgety Spillers Agriculture Limited, a company incorporated in the United Kingdom.

3. TURNOVER

Turnover comprises the gross amount of sales when the company acts as principal and the commission where the company acts as agent.

4. DEPRECIATION

Freehold land is not depreciated. Freehold buildings and long leasehold property are depreciated by equal annual instalments over their estimated useful lives up to a maximum period of 50 years. Short leasehold land and buildings is in the main amortised over the length of each lease on a straight line basis. Plant, equipment and vehicles are depreciated over periods which range from 4 to 10 years and which do not exceed their anticipated useful lives.

Profits or losses arising on routine replacement or retirement of tangible fixed assets are dealt with through company trading results as adjustments to depreciation while profits less losses on disposals of tangible fixed assets arising from closure or significant reorganisations are included within extraordinary items.

5. INTEREST

Interest payable is written off as incurred except where the related borrowing finances significant tangible fixed assets in course of construction. Such interest is capitalised as part of the tangible fixed asset cost and is written off by way of depreciation.

6. DEFERRED TAX

Provision has not been made for tax liabilities which, under current legislation, are expected to be deferred indefinitely because of the availability of tax allowances for tangible fixed asset expenditure. Provision has been made for other timing differences on the liability method.

ACCOUNTING POLICIES
for the year ended 30th June 1983

7. STOCKS

Commodity, merchandise and manufacturing inventories and livestock are valued at the lower of cost and net realisable value; cost in the main, being calculated on 'first in first out' or 'average cost' principles. In the case of breeding and fattening pigs on farms cost includes certain overheads attributable.

8. RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditure is written off in the year in which it is incurred.

9. CURRENCY EXCHANGE RATES

The profits and the assets and liabilities of overseas companies are translated into sterling at the rates of exchange ruling on 30th June 1983. Exchange profits or losses realised on remittances of dividends and on trading transactions are included in company trading results. Other exchange differences arise from non-trading items and the translation, at rates different from those used in the previous year's accounts, of the net assets of overseas subsidiaries and foreign currency loans. These exchange differences are dealt with through reserves.

NOTES TO THE ACCOUNTS
30th June 1983

1. ANALYSIS OF TURNOVER AND PROFIT

TURNOVER

Sales to other group companies
Other sales

	1983	1982
Sales to other group companies	2,278,075	1,423,241
Other sales	10,773,798	10,686,601
	<u>£13,051,873</u>	<u>£12,109,842</u>

The turnover and profit before taxation are attributable to the company's business of agricultural service and supply.

The geographical analysis of the company's turnover is:

United Kingdom	11,413,857	11,676,162
Rest of Europe	1,638,016	433,680
	<u>£13,051,873</u>	<u>£12,109,842</u>

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

a) The following have been credited before arriving at profit on ordinary activities before tax:

Change in stock of finished goods and work in progress	778,473	—
Own work capitalised	23,638	5,033
Royalties	28,309	6,377
Net rental income	3,500	3,313
Profit on sale of surplus assets	7,377	22,598
Other interest receivable and similar income	51,472	110,240
	<u>£892,769</u>	<u>£147,561</u>

b) The following have been debited before arriving at profit on ordinary activities before tax:

Change in stock of finished goods and work in progress	—	425,999
Raw materials and consumables	8,990,321	6,858,455
Hire of plant and machinery	—	29,018
Auditors' remuneration	21,112	20,000
Other external charges	2,453,336	2,098,192
Wages and salaries	1,241,621	1,102,870
Social security costs	110,347	118,156
Other pension costs	71,647	75,030
Depreciation and other amounts written off tangible fixed assets (note 2(f))	307,208	337,996
Other operating charges (note 2(e))	—	12,461
Interest payable and similar charges (note 2(d))	284,800	313,133
	<u>£13,480,392</u>	<u>£11,391,310</u>

NOTES TO THE ACCOUNTS
30th June 1983

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX continued

c) Income from listed investments included in 2(a) above is £163 (1982 — £134).

d) Interest payable and similar charges:

Bank loans and overdrafts repayable within 5 years
Group interest

1983	1982
181,823	22,207
102,977	290,926
<u>£284,800</u>	<u>£313,133</u>

e) Other operating charges (exceptional items)
Redundancy payment

1983	1982
£ —	£12,461

f) The charge for depreciation includes £(59,425) relating to the surplus on revaluation of freehold and leasehold property at 30th June 1982.

3. EMPLOYEES

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

	1983		1982	
	<u>Permanent</u>	<u>Casual</u>	<u>Permanent</u>	<u>Casual</u>
United Kingdom	<u>175</u>	<u>13</u>	<u>166</u>	<u>11</u>

The costs incurred in respect of these employees were:

	1983	1982
Wages and salaries	1,241,621	1,102,870
Social security costs	110,347	118,156
Other pension costs	71,647	75,030
	<u>£1,423,615</u>	<u>£1,296,056</u>

There were no employees whose emoluments (excluding pension contributions) were £30,000 or more.

NOTES TO THE ACCOUNTS
30th June 1983

4. DIRECTORS

a) The emoluments of directors were as follows:

	1983	1982
Emoluments	15,514	—
Pension contributions	1,815	—
	<u>£17,329</u>	<u>£ —</u>

The emoluments of the chairman were £nil
(1982 — £nil) and the highest paid director £15,514
(1982 — nil).

	No. of directors	
	1983	1982
Other directors	three	eight
£0 — £5,000	<u>three</u>	<u>eight</u>

b) Loans to directors — nil.

c) Directors' interests in contracts

During the year to 30th June 1983 sales of pigs totalling
£151,551 and purchases of pigs totalling £89,521 were made on
normal trading terms with Summerdale Pigs Limited, a company
in which Mr. R.L. Richardson is a director.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation comprises:

Deferred taxation release	£ —	£7,406
	<u>£ —</u>	<u>£7,406</u>

No corporation tax charge arises as it is intended that
losses will be surrendered by other members of the group for
nil consideration under the provisions of the Taxes Acts.

6. EXTRAORDINARY INCOME

	1983	1982
Tax provision on revaluation reserve released	7,571	—
Decrease in provision against investments in subsidiaries	301,803	—
Profit on sale of land and buildings	—	171,916
Revaluation reserve on prior year disposals released	35,094	—
	<u>£344,468</u>	<u>£171,916</u>

7. EXTRAORDINARY CHARGES

Increase in provision against investments in subsidiaries and related companies	£(22,175)	£(70,101)
	<u>£(22,175)</u>	<u>£(70,101)</u>

8. DIVIDENDS

On 1,857,164 ordinary shares — final proposed 51.52p per share (1982 36.06p)	£956,836	£669,677
	<u>£956,836</u>	<u>£669,677</u>

NOTES TO THE ACCOUNTS
30th June 1983

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Plant, machinery etc.	Fixtures, fittings etc	Assets in course of construction	TOTAL
COST OR VALUATION					
At 1st July 1982	1,502,486	851,284	66,208	235,863	2,655,841
Additions	22,599	197,945	56,360	471,890	748,794
Disposals	—	(100,969)	(413)	—	(101,382)
Reallocation between categories	514,486	17,826	—	(532,312)	—
At 30th June 1983	2,039,571	966,086	122,155	175,441	3,303,253
DEPRECIATION					
At 1st July 1982	1,000	498,101	61,039	—	560,140
Charge for year	129,217	173,163	4,828	—	307,208
Disposals	—	(77,630)	(413)	—	(78,043)
At 30th June 1983	130,217	593,634	65,454	—	789,305
NET BOOK VALUE					
At 30th June 1983	£1,909,354	372,452	56,701	175,441	£2,513,948
At 30th June 1982	£1,501,486	353,183	5,169	235,863	£2,095,701
Cost or valuation at 30th June 1983 comprises:					
Cost	547,071	966,086	122,155	175,441	1,810,753
Valuation at 30th June 1982	1,492,500	—	—	—	1,492,500
	£2,039,571	966,086	122,155	175,441	£3,303,253

NOTES TO THE ACCOUNTS
30th June 1983

9. TANGIBLE FIXED ASSETS continued

If stated under historical cost principles the amounts for the total tangible fixed assets would be:

	1983	1982
Cost		
Accumulated depreciation	3,818,079	3,170,667
Historical cost net book value	<u>1,810,089</u>	<u>1,580,924</u>
	<u>£2,007,990</u>	<u>£1,589,743</u>
Future capital expenditure		
Contracted for but not provided for	180,552	226,045
Authorised by the directors but not contracted for	<u>165,500</u>	<u>229,816</u>
	<u>£346,052</u>	<u>£455,861</u>

10. FIXED ASSET INVESTMENTS

	Subsidiary companies		Related companies		Listed and unlisted investments	TOTAL
	Shares at cost	Loans	Shares at cost	Loans		
COST						
At 1st July 1982	1,995,332	336,477	22,489	26,082	1,191	2,381,571
Advanced	—	38,560	—	13,604	—	52,164
Repaid	—	(35,211)	—	—	—	(35,211)
At 30th June 1983	<u>1,995,332</u>	<u>339,826</u>	<u>22,489</u>	<u>39,686</u>	<u>1,191</u>	<u>2,398,524</u>
PROVISIONS						
At 1st July 1982	1,545,018	66,969	3,918	26,082	—	1,641,987
Provided in year	—	—	8,571	13,604	—	22,175
Written back	(301,803)	(5,113)	—	—	—	(306,916)
At 30th June 1983	<u>1,243,215</u>	<u>61,856</u>	<u>12,489</u>	<u>39,686</u>	<u>—</u>	<u>1,357,246</u>
NET BOOK VALUE						
At 30th June 1983	<u>£752,117</u>	<u>277,970</u>	<u>10,000</u>	<u>—</u>	<u>1,191</u>	<u>£1,041,278</u>
At 30th June 1982	<u>£450,314</u>	<u>269,508</u>	<u>18,571</u>	<u>—</u>	<u>1,191</u>	<u>£739,584</u>

NOTES TO THE ACCOUNTS
30th June 1983

10. FIXED ASSET INVESTMENTS continued

LISTED INVESTMENTS

On a recognised stock exchange

Cost
1983 1982

£1,152 £1,152

Market value

£2,673 £3,168

UNLISTED INVESTMENTS

Sinodum Farmers

Cambac Pig Sales

29 29
10 10

£39 £39

The directors consider that the investments are worth at least their book value.

Subsidiaries

The company's subsidiaries at 30th June 1983, which are incorporated and registered in England, unless otherwise stated, were as follows:

	Class of share and nominal value	Percentage of nominal value of issued shares held	Nature of business
Deutsche Pig Improvement GmbH (registered in W. Germany)	Ordinary DM 3 million	100%	Pig breeding
Pig Improvement International S.C.P.A. (registered in France)	Ordinary FF 8.5 million	100%	Pig breeding

Group accounts have not been prepared as the company is a wholly owned subsidiary of another body corporate incorporated in England. In the opinion of the directors the aggregate value of the investments in the company's subsidiaries is not less than the aggregate amount at which those assets are stated in the balance sheet.

NOTES TO THE ACCOUNTS
30th June 1983

10. FIXED ASSET INVESTMENTS continued

Related company

Related company is as follows:

	Country of Incorporation	% held
Reproductores PIC	Portugal	24

The directors consider that the interest in related company is worth at least its book value.

11. STOCKS

	1983		1982	
	Cost in accounts	Replacement cost	Cost in accounts	Replacement cost
Arable growing	63,465	63,465	58,215	58,215
Livestock	2,247,335	2,247,335	1,408,498	1,408,498
Consumables	133,752	133,752	150,518	150,518
	<u>£2,444,552</u>	<u>£2,444,552</u>	<u>£1,617,231</u>	<u>£1,617,231</u>

12. DEBTORS

	1983	1982
Trade debtors	1,646,042	1,249,709
Amounts owed by group companies	625,768	356,725
Amounts owed by related companies	39,206	11,990
Other debtors	80,103	50,893
Prepayments and accrued income	61,952	69,461
	<u>£2,453,071</u>	<u>£1,738,778</u>

13. CREDITORS — AMOUNT FALLING DUE WITHIN ONE YEAR

Bank loans and overdrafts		
Overdrafts (unsecured)	<u>2,553,814</u>	<u>179,558</u>
Sundry creditors		
Trade creditors	695,627	612,115
Amounts owed to group companies	310,735	216,681
Tax including social security	43,868	4,554
Proposed dividends	956,836	669,677
Other creditors	16	8,627
Accruals and deferred income	162,539	108,231
	<u>£2,169,621</u>	<u>£1,619,885</u>

NOTES TO THE ACCOUNTS
30th June 1983

14. CREDITORS -- AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1983	1982
Amount owed to holding company	<u>£3,286,677</u>	<u>£3,700,000</u>

Included in the amount due to holding company are debentures amounting to £500,000 bearing interest at 10 - 13% p.a.

15. PROVISION FOR LIABILITIES AND CHARGES

Prospective compensation	6,000	29,000
Deferred maintenance	—	19,000
	<u>£6,000</u>	<u>£48,000</u>

DEFERRED TAXATION

No provision has been made for taxation which is expected to be deferred indefinitely because of the availability of tax allowances for capital expenditure and stock appreciation relief.

Provision has been made for other timing differences on the liability method.

Deferred taxation is made up as follows:

	Maximum potential provision		Of which dealt with in accounts	
	1983	1982	1983	1982
Accelerated tax depreciation	187,592	122,319	—	—
Revaluation surpluses	363,541	422,687	—	—
Other timing differences	74,485	11,092	—	—
	<u>£625,618</u>	<u>£556,098</u>	<u>£ —</u>	<u>£ —</u>

NOTES TO THE ACCOUNTS
30th June 1983

16. SHARE CAPITAL	1983	1982	
Authorised			
2 million ordinary shares of 10p each	<u>£200,000</u>	<u>£200,000</u>	
Allotted and fully paid			
1,857,164 ordinary shares of 10p each	<u>£185,716</u>	<u>£185,716</u>	
17. SHARE PREMIUM ACCOUNT			
At 1st July 1982 and 30th June 1983	<u>£8,000</u>	<u>£8,000</u>	
18. REVALUATION RESERVE		<u>Undistributable</u>	
Balance at 1st July 1982		548,623	
Reclassification		(505,958)	
Eliminated on disposals (prior years)		(35,094)	
Release of tax provision no longer required		<u>(7,571)</u>	
Balance at 30th June 1983		<u>£ --</u>	
19. OTHER RESERVES/PROFIT AND LOSS ACCOUNT			
	<u>Undistributable reserves</u>	<u>Distributable reserves</u>	
	<u>Currency exchange variation</u>	<u>Profit and loss account</u>	<u>Total reserves</u>
Balance at 1st July 1982	20,040	(116,827)	(96,787)
Transfer to profit and loss account	—	(170,293)	(170,293)
Prior year adjustment	—	19,356	19,356
Exchange variations in the year	(12,494)	—	(12,494)
Transfer from revaluation reserve	—	505,958	505,958
Balance at 30th June 1983	<u>£7,546</u>	<u>238,194</u>	<u>£245,740</u>
20. TOTAL RESERVES — AT 30TH JUNE 1983			
	<u>Undistributable</u>	<u>Distributable</u>	<u>TOTAL</u>
Share premium account	8,000	—	8,000
Other reserves/profit and loss account	7,546	238,194	245,740
	<u>£15,546</u>	<u>238,194</u>	<u>£253,740</u>

NOTES TO THE ACCOUNTS
30th June 1983

21. FLOATING CHARGE

The assets of the company are subject to a floating charge, jointly and severally with certain other group companies, to secure the debenture stock of Dalgety PLC amounting to £3,642,000 (1982 - £3,642,000).

22. PENSION COMMITMENTS

The company participates in the Dalgety Spillers Limited pension fund which is a contributory scheme. The scheme funds are administered by trustees and are independent of the group's finances. The scheme is fully funded and contributions are paid to the scheme in accordance with actuarial advice following periodic valuations of the fund. The contributions to the fund are charged against profits in the year in which contributions are made.