

**CRANEHEATH LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE 52 WEEKS ENDED**

**26 SEPTEMBER 1998**

**(Registered Number: 1097824)**



**CRANEHEATH LIMITED****DIRECTORS' REPORT**

The Directors present their report and audited financial statements for the 52 weeks ended 26 September 1998.

**Review of business and future prospects**

During the period the Company continued to manage the run down of the former banking business.

**Results and dividends**

The results of the Company for the 52 weeks ended 26 September 1998 are set out on page 5. No dividend is proposed (1997 : £nil).

**Directors**

The Directors who served throughout the period and to date are as follows:

D J Mulhall  
J P Findler  
G B Cuthbertson  
D R Hooper (alternate to D J Mulhall)

The Directors had no interests in the shares of either the Company or any other Group Companies. The interests of D J Mulhall and J P Findler in the ordinary shares of the ultimate parent company, Berisford plc, are disclosed in the accounts of that company and the interests of the remaining Directors in office at 26 September 1998 are as follows:

|                 | <u>At 26 September 1998</u>            |                                   |                    | <u>At 27 September 1997</u>            |                                   |                    |
|-----------------|--|-----------------------------------|--------------------|--|-----------------------------------|--------------------|
|                 | Executive<br>Share<br>Option<br>Scheme | SAYE<br>Share<br>Option<br>Scheme | Ordinary<br>Shares | Executive<br>Share<br>Option<br>Scheme | SAYE<br>Share<br>Option<br>Scheme | Ordinary<br>Shares |
| G B Cuthbertson | 321,963                                | 11,266                            | 12,253             | 321,963                                | 25,402                            | Nil                |
| D R Hooper      | 134,069                                | 10,732                            | 20,000             | 134,069                                | 17,146                            | 20,000             |

**CRANEHEATH LIMITED****DIRECTORS' REPORT (continued)****Statement of Directors' Responsibilities**

Company Law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those 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;
- prepare the financial statements on a 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.

**Year 2000 Statement**

Formal procedures are in place to identify the full impact of the Year 2000 date change on the Company. A comprehensive review of all systems has been conducted and plans have been implemented to allow for those systems which have been identified as requiring an upgrade, to be made compliant. A timetable has been agreed and progress against specific action points is being monitored centrally at main board level.

Over the past few years, any newly installed IT systems have incorporated the changes required for Year 2000 compliance.

We are addressing the business risk from others with whom we deal on business or financial matters including key customers and suppliers and seeking assurance from such parties that minimal business interruption will occur in their organisations. Contingency plans are being developed to minimise risk of non-compliance caused by disruption from areas where we do not have direct control.

Based on current information we anticipate that the incremental cost of compliance, including modifying existing software, will not require an increase to generally budgeted expenditure. Further, again based on current information, we have a reasonable belief that the Company will be compliant in all material respects.

**CRANEHEATH LIMITED****DIRECTORS' REPORT (continued)****Auditors**

The Company has passed an elective resolution to dispense with the obligation to reappoint auditors in accordance with Section 386 of the Company Act.

BY ORDER OF THE BOARD



R A Burrowes  
Secretary  
Washington House  
40-41 Conduit Street  
London  
W1R 9FB

23 July 1999

**CRANEHEATH LIMITED****REPORT OF THE AUDITORS  
TO THE MEMBERS OF CRANEHEATH LIMITED**

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 2 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 at 26 September 1998 and of the result for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte & Touche  
Chartered Accountants and Registered Auditors  
Hill House  
1 Little New Street  
London  
EC4A 3TR

*28 May 1999*

**CRANEHEATH LIMITED****PROFIT AND LOSS ACCOUNT****For the 52 weeks ended 26 September 1998**

|  | <u>Notes</u> | 52 weeks to<br>26 Sept. 1998<br><u>£'000</u> | 52 weeks to<br>27 Sept. 1997<br><u>£'000</u> |
|--|--------------|--|--|
| Administration expenses and operating charges      |              | -  | (35)   |
| Provision for doubtful debts no longer required    |              | -  | 15   |
| <b>Loss on ordinary activities before taxation</b> | <b>2</b>     | -  | (20)   |
| Tax on loss on ordinary activities                 | <b>3</b>     | -  | -  |
| <b>Loss on ordinary activities after taxation</b>  |              | -  | (20)   |
| Retained loss brought forward                      |              | (14,560)                                     | (14,540)                                     |
| Retained loss at the end of period                 |              | (14,560)                                     | (14,560)                                     |

The Company has no recognised gains or losses in the current period or previous period other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

All activities are continuing.

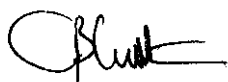
There is no difference between the results for the periods stated above and their historical cost equivalents.

The notes on pages 7 and 8 form part of the financial statements.

**CRANEHEATH LIMITED****BALANCE SHEET****As at 26 September 1998**

|                                   | <u>Notes</u> | 26 Sept.<br>1998<br><u>£'000</u> | 26 Sept.<br>1997<br><u>£'000</u> |
|-----------------------------------|--------------|----------------------------------|----------------------------------|
| <b>Current Assets:</b>            |              |                                  |                                  |
| Amounts due from parent company   |              | 35                               | 37                               |
| Cash at bank and in hand          |              | 2                                | 2                                |
|                                   |              | <u>37</u>                        | <u>39</u>                        |
| <b>Creditors:</b>                 |              |                                  |                                  |
| Amounts due within one year       | 4            | (33)                             | (35)                             |
| <b>Net Current Assets</b>         |              | <u>4</u>                         | <u>4</u>                         |
| <b>Capital And Reserves:</b>      |              |                                  |                                  |
| Called up share capital           | 5            | 12,564                           | 12,564                           |
| Profit and loss account           |              | (14,560)                         | (14,560)                         |
| Capital reserve                   | 6            | 2,000                            | 2,000                            |
| <b>Equity Shareholders' Funds</b> |              | <u>4</u>                         | <u>4</u>                         |

The financial statements on pages 5 to 8 were approved by the Board of Directors on 23 July 1998 and were signed on their behalf by:



G B Cuthbertson Director

The notes on pages 7 and 8 form part of these accounts.

**CRANEHEATH LIMITED****NOTES TO THE FINANCIAL STATEMENTS****For the 52 weeks ended 26 September 1998****1. Accounting Policies**

These financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the major accounting policies, which have been applied consistently, is set out below:-

- a) The financial statements have been prepared in accordance with the historical cost convention.
- b) The Financial Statements have been prepared on a going concern basis based on the continued support of the parent company, Berisford plc.

**2. Loss On Ordinary Activities Before Taxation**

Directors' emoluments for the current and prior period, to the extent relevant to the Company, were borne by the ultimate parent company. Audit fees for the current and prior period were borne by the ultimate parent company.

**3. Tax On Loss On Ordinary Activities**

No tax charge arises as the company made no income during the period.

**4. Creditors : Amounts due within one year**

|                       | 26 Sept.<br>1998 | 27 Sept.<br>1997 |
|-----------------------|------------------|------------------|
|                       | <u>£'000</u>     | <u>£'000</u>     |
| Due to parent company | 33               | 35               |

**CRANEHEATH LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****For the 52 weeks ended 26 September 1998****5. Called up share capital**

|                                       | 26 Sept.<br>1998 | 27 Sept.<br>1997 |
|---------------------------------------|------------------|------------------|
|                                       | <u>£'000</u>     | <u>£'000</u>     |
| Authorised:                           |                  |                  |
| 12,563,775 Ordinary shares of £1 each | 12,564           | 12,564           |
| Called up, allotted and fully paid:   |                  |                  |
| 12,563,775 Ordinary shares of £1 each | 12,564           | 12,564           |

**6. Capital Reserve**

This reserve is not distributable and is only repayable in the event that the company is wound up.

**7. Contingent Liabilities**

There is a contingent liability in respect of the cross guarantee, given by the Company together with other members of the Berisford Group, in favour of National Westminster Bank plc.

**8. Parent Company**

The immediate and ultimate controlling entity is Berisford plc, a company incorporated in Great Britain. Copies of the Financial Statements of Berisford plc can be obtained from the Secretary at Washington House, 40-41 Conduit Street, London, W1R 9FB.

**9. Transactions with Related Parties**

The Company has taken advantage of the exemption granted by paragraph 3(c) of FRS8 - "Related Party Disclosures" - not to disclose transactions with entities which are part of Berisford plc, as the consolidated financial statements, in which the Company is included, are publicly available.