

Report and Accounts

Basildon Dairy Foods Limited

31 December 1999



Basildon Dairy Foods Limited

Registered No. 1229214

DIRECTORS

W J Houlston

I C Laurie

J A Lloyd

P de Pompignan

(resigned 1 February 2000)

P Julien

SECRETARY

R J Newton

AUDITORS

Ernst & Young

Becket House

1 Lambeth Palace Road

London SE1 7EU

REGISTERED OFFICE

Raine House

Crown Road

Enfield

Middlesex EN1 1TX

 ERNST & YOUNG

Basildon Dairy Foods Limited

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 1999.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £nil (1998 – £3,008,200).

The directors do not recommend the payment of a dividend (1998 – £6,200,000).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

On 30 December 1999 the business of the company was transferred to Yoplait Dairy Crest Limited at its net asset value. Since that date the company has not traded.

DIRECTORS AND THEIR INTERESTS

The directors of the company are listed on page 1.

At the year end none of the directors has any interest in the shares of the company or any other group undertaking.

AUDITORS

A resolution to reappoint Ernst & Young will be put to the members at the Annual General Meeting.

By order of the board


R J Newton

Secretary

17 OCT 2000

ERNST & YOUNG

Basildon Dairy Foods Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts 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
to the members of Basildon Dairy Foods Limited

We have audited the accounts on pages 5 to 10, which have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility for form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

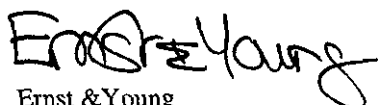
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

18 October 2000.

Basildon Dairy Foods Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1999

		Year ended 31 December 1999	15 months ended 31 December 1998
	Notes	£	£
TURNOVER	2	–	41,767,048
Cost of sales		–	(33,081,104)
GROSS PROFIT		–	8,685,944
Administrative expenses		–	(4,270,003)
OPERATING PROFIT	3	–	4,415,941
Interest receivable and similar income		–	74,161
Interest payable		–	(7,116)
		–	67,045
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		–	4,482,986
Tax on profit on ordinary activities	6	–	(1,474,786)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		–	3,008,200
Dividends	7	–	(6,200,000)
RETAINED LOSS FOR THE FINANCIAL PERIOD		–	(3,191,800)

A reconciliation of movement on reserves can be found in note 10.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses other than the result for the financial year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES for the year ended 31 December 1999

	Year period ended 31 December 1999	15 month period ended 31 December 1998
	£	£
Reported profit on ordinary activities before taxation	–	4,482,986
Realisation of property revaluation gains	–	2,313,547
Historical cost profit on ordinary activities before taxation	–	6,796,533

Basildon Dairy Foods Limited

BALANCE SHEET

at 31 December 1999

		31 December 1999	31 December 1998
	Notes	£	£
CURRENT ASSETS			
Debtors	8	15,282,329	18,982,329
CREDITORS: amounts falling due within one year	9	—	(3,700,000)
		15,282,329	15,282,329
CAPITAL AND RESERVES			
Called up share capital	10	130,000	130,000
Profit and loss account	11	15,152,329	15,152,329
		15,282,329	15,282,329

I C Lawrence

Director

17 OCT 2000

Basildon Dairy Foods Limited

NOTES TO THE ACCOUNTS

at 31 December 1999

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and are in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value of each asset evenly over its expected useful life, as follows:

Freehold buildings	-	over 30 years
Plant and machinery	-	10% to 25% per annum
Fixtures and fittings	-	over 5 years
Motor vehicles	-	over 5 years
Computers	-	over 3 years

Stocks

Stocks are valued at the lower of cost and net realisable value.

Research and development

Research and development expenditure is written off as incurred.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pension costs

Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives within the company.

Grants

Grants received for capital expenditure are taken to the balance sheet and released to the profit and loss account at the same rate as the relevant asset is depreciated.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

Turnover in 1998 was derived from a manufacturing charge levied on Raines Dairy Foods Limited.

Basildon Dairy Foods Limited

NOTES TO THE ACCOUNTS

at 31 December 1999

3. OPERATING PROFIT

This is stated after charging/(crediting):

	Year ended 31 December 1999 £	15 month period ended 31 December 1998 £
Auditors' remuneration – audit services	–	14,000
Depreciation	–	3,003,143
Operating lease rentals – plant and machinery	–	549,991
Profit on disposal of tangible fixed assets	–	(50,206)
	<u> </u>	<u> </u>

4. DIRECTORS' EMOLUMENTS

	Year ended 31 December 1999 £	15 month period ended 31 December 1998 £
Emoluments	–	16,979
	<u> </u>	<u> </u>

The amounts in respect of the highest paid director are as follows:

Emoluments	–	11,431
	<u> </u>	<u> </u>

No pension contributions were paid by the company in relation to the directors.

5. STAFF COSTS

	Year ended 31 December 1999 £	15 month period ended 31 December 1998 £
Wages and salaries	–	20,571,829
Social security costs	–	1,922,217
Pension costs	–	376,580
	<u> </u>	<u> </u>
	–	22,870,626
	<u> </u>	<u> </u>

The average number of employees during the period was as follows:

	No.	No.
Office and management	–	130
Manufacturing	–	815
	<u> </u>	<u> </u>
	–	945
	<u> </u>	<u> </u>

Basildon Dairy Foods Limited

NOTES TO THE ACCOUNTS

at 31 December 1999

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 December 1999 £	15 month period ended 31 December 1998 £
UK corporation tax based on the profit for the period	—	1,470,184
Deferred taxation credit	—	(17,108)
Adjustment in respect of prior years	—	21,710
	<u>—</u>	<u>1,474,786</u>

7. DIVIDENDS

	Year ended 31 December 1999 £	15 month period ended 31 December 1998 £
Interim ordinary dividend paid	—	2,500,000
Final ordinary dividend proposed	—	3,700,000
	<u>—</u>	<u>6,200,000</u>

8. DEBTORS

	31 December 1999 £	31 December 1998 £
Amount due from Yoplait Dairy Crest Limited	<u>15,282,329</u>	<u>18,982,329</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 1999 £	31 December 1998 £
Dividends payable to parent undertaking	<u>—</u>	<u>3,700,000</u>

10. SHARE CAPITAL

	31 December 1999 No.	31 December 1998 No.	31 December 1999 £	31 December 1998 £
Authorised, allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>

Basildon Dairy Foods Limited

NOTES TO THE ACCOUNTS

at 31 December 1999

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Re- valuation reserve £</i>	<i>Profit and loss account £</i>	<i>Total share- holders' funds £</i>
At 27 September 1997	10,000	2,313,547	16,150,582	18,474,129
Realised revaluation surplus on sale of freehold land and buildings	—	(2,313,547)	2,313,547	—
Issue of ordinary shares arising from scrip dividend election	120,000	—	(120,000)	—
Profit for the period	—	—	3,008,200	3,008,200
Dividends	—	—	(6,200,000)	(6,200,000)
At 31 December 1998	130,000	—	15,152,329	15,282,329
Profit for the year	—	—	—	—
Dividends	—	—	—	—
At 31 December 1999	130,000	—	15,152,329	15,282,329

12. CASH FLOW STATEMENT

As all the voting rights in the company are controlled within the group and the company is included within the consolidated accounts of Groupe Sodiaal S.A., it is exempt under the terms of FRS 1 (Revised) from publishing a cash flow statement.

13. RELATED PARTY TRANSACTIONS

As all the voting rights in the company are controlled within the group and the company is included within the consolidated accounts of Groupe Sodiaal S.A., it is exempt under the terms of FRS 8 from disclosing transactions with other group undertakings, joint ventures or associated companies.

14. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Groupe Sodiaal S.A., which is incorporated in France. Copies of its group accounts, which include the company, are available from 170 bis, Bd Montparnasse, 75014 Paris, France.