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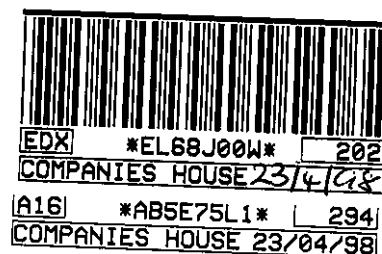
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# Tulip International (UK) Limited

## Report and Accounts

28 September 1997

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# Tulip International (UK) Limited

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Registered No. 1330427

## **DIRECTORS**

R Drake  
S A Thomsen  
P Rasztar

## **SECRETARY**

R Drake

## **AUDITORS**

Ernst & Young  
Compass House  
80 Newmarket Road  
Cambridge  
CB5 8DZ

## **BANKERS**

Barclays Bank plc  
4 Bridge Street  
Thetford  
Norfolk  
IP24 3AB

## **REGISTERED OFFICE**

Caxton Way  
Thetford  
Norfolk  
IP24 3SB

# Tulip International (UK) Limited

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## DIRECTORS' REPORT

The directors present their annual report and accounts for the year ended 28 September 1997.

### RESULTS AND DIVIDEND

The profit on ordinary activities after taxation for the year ended 28 September 1997 amounts to £6,308,000 (1996 - loss restated of £1,530,000) and is dealt with as shown in the profit and loss account.

The directors do not recommend the payment of a dividend.

### PRINCIPAL ACTIVITY

The principal activity of the company is an investment holding and co-ordinating company.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

During the year the company continued to act as an investment holding and co-ordinating company for its two UK operating divisions, Bacon and Cooked Meats.

1996/97 was a year of many changes in trading conditions. The out break of Svine Fever in Holland in April 1997 caused shortages of pork in Europe and consequently substantial increases in pork prices.

The strong support of Tulip and Danepak brands and the dedicated cooked meat operations helped the business to sustain profits throughout this turbulent period.

The strengthening of the Pound has made import business easier over the last 12 months.

The budget for the coming year incorporates a continuation of the current activities and a substantial increase in capital investments.

### DIRECTORS AND THEIR INTERESTS

M S G Forbes (resigned 9 December 1996)

R Drake

S A Thomsen (Danish)

P Rasztar (Danish) (appointed 2 July 1997)

No director holds any shares in the company.

Under the provisions of the Articles of Association none of the directors retire by rotation.

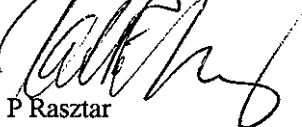
### FIXED ASSETS

Changes in fixed assets are set out in Note 8.

### AUDITORS

An elective resolution pursuant to s386 of the Companies Act 1985 has been passed whereby the company is not obliged to re-appoint auditors annually, Ernst & Young therefore continue as auditors.

On behalf of the Board



P Rasztar

Director

3 April 1998

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts 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 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;
- 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. 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 Tulip International (UK) Limited

We have audited the accounts on pages 5 to 11, which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, 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. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

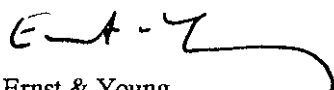
### BASIS OF OPINION

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 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 the company's affairs as at 28 September 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to be 'EAT-7', written over the printed name of Ernst & Young.

Ernst & Young  
Chartered Accountants  
Registered Auditor  
Cambridge  
20 April 1998

# Tulip International (UK) Limited

## PROFIT AND LOSS ACCOUNT for the year ended 28 September 1997

	<i>Notes</i>	<i>1997</i> <i>£'000</i>	<i>Restated</i> <i>1996</i> <i>£'000</i>
Administrative expenses		-	-
<b>OPERATING PROFIT</b>	<b>3</b>	-	-
Release of/(increase in) provision against investments in subsidiary undertakings	8	6,269	(1,537)
Interest and dividends receivable	5	166	587
Interest payable	5	(128)	(580)
		6,307	(1,530)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		6,307	(1,530)
Tax on profit/(loss) on ordinary activities	7	1	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>13</b>	6,308	(1,530)

A statement of the movement on reserves is given in note 13.

The results for the current and comparative periods as stated above are also the results as stated on an historical cost basis.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 28 September 1997

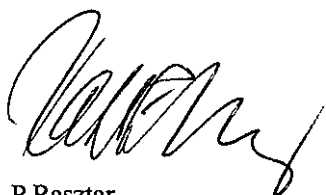
	<i>1997</i> <i>£000</i>	<i>Restated</i> <i>1996</i> <i>£000</i>
Profit (loss) for the year	6,308	(1,530)
Total recognised gains and losses relating to the year	6,308	(1,530)
Prior year adjustment	1,372	
Total gains and losses recognised since last annual report and accounts	7,680	

# Tulip International (UK) Limited

## BALANCE SHEET

at 28 September 1997

		1997	Restated 1996
	Notes	£'000	£'000
<b>FIXED ASSETS</b>			
Investments	8	21,402	15,133
<b>CURRENT ASSETS</b>			
Debtors	9	6,502	9,144
Cash		38	-
		6,540	9,144
<b>CREDITORS: amounts falling due within one year</b>	10	6,142	8,785
<b>NET CURRENT ASSETS</b>		398	359
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		21,800	14,120
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	7,436	7,436
Share premium account		275	275
Capital reserve	14	26,000	26,000
Profit and loss account	12	(11,911)	(18,219)
<b>EQUITY SHAREHOLDER'S FUNDS</b>		21,800	15,492



P Rasztar  
Director

3 April 1998

NOTES TO THE ACCOUNTS

at 28 September 1997

1. ACCOUNTING POLICIES

*Basis of preparation*

The accounts are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

*Investments in subsidiary undertakings*

The company accounts for its investments in subsidiary undertakings by the equity method, whereby the original cost of the investments is adjusted for the movement in underlying net assets applicable to the investments since their date of acquisition. This represents a change in accounting policy, and an adjustment in respect of the year ended 29 September 1996 has been shown as a prior year adjustment (see note 13).

*Deferred taxation*

Deferred taxation primarily represents the amount required to allow for the difference between depreciation and the corresponding allowances for taxation, being credited and charged for tax purposes in different years from those in the accounts.

2. PARENT UNDERTAKING

The parent undertaking is Tulip International A/S incorporated in Denmark.

In accordance with s228 Companies Act 1985 group accounts have not been prepared as the company is a wholly owned subsidiary undertaking of another company in the EC which prepares group accounts. These accounts present financial information about the company as an individual undertaking and not about its group.

3. OPERATING PROFIT

This is stated after charging:

	1997 £'000	1996 £'000
The company		
Auditors' remuneration - audit services	-	-
The group		
Auditors' remuneration - audit services	63	61
Auditors' remuneration - non-audit services	40	72

Auditors' remuneration for the company is borne by the subsidiary undertaking Tulip International (UK) Bacon Division Limited.

# Tulip International (UK) Limited

## NOTES TO THE ACCOUNTS

at 28 September 1997

### 4. DIRECTORS' EMOLUMENTS

	1997 £'000	1996 £'000
Emoluments	195	237
Pension contribution paid on behalf of the directors	10	15
Emoluments of the highest paid director are as follows:		
Aggregate emoluments excluding pension contributions	91	88

There is one director to whom retirement benefits are accruing within the group's defined benefit scheme. The group's contributions to the highest paid director amounted to £10,000 during the year ended 28 September 1997. The amount of annual pension which would be payable under the defined benefit scheme on attaining normal pensionable age should he have retired on 28 September 1997 was £12,220.

### 5. INTEREST AND DIVIDENDS RECEIVABLE

	1997 £'000	1996 £'000
Interest receivable		
From parent undertaking	-	52
From subsidiary undertakings	128	533
Other interest receivable	2	2
	130	587
Dividends receivable	36	-
	166	587
Interest payable		
Interest payable to parent undertaking	128	500
Interest payable to subsidiary undertakings	-	80
	128	580

### 6. DEFERRED TAXATION

Deferred taxation is not provided because the directors have concluded on reasonable evidence that any reversal of timing differences will not give rise to a tax charge in the foreseeable future.

### 7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	1997 £'000	1996 £'000
Corporation tax charge on the profit for the year	(1)	-
Adjustments to prior years	2	-
	1	-

# Tulip International (UK) Limited

## NOTES TO THE ACCOUNTS

at 28 September 1997

### 8. INVESTMENTS

	<i>Subsidiary Undertakings £'000</i>	<i>Other Investments £'000</i>	<i>Total £'000</i>
Cost or valuation:			
At 30 September 1996	38,611	20	38,631
Additions	-	-	-
At 28 September 1997	38,611	20	38,631
Provisions against investments in subsidiary undertakings:			
At 30 September 1996 (as restated)	23,498	-	23,498
Released during the year	(6,269)	-	(6,269)
At 28 September 1997	17,229	-	17,229
Net book value			
At 28 September 1997	21,382	20	21,402
At 30 September 1996 (as restated)	15,113	20	15,133

The cost of investments in subsidiary undertakings held at valuation was £13,186,000 (1996 - £13,186,000).

Other investments represents a holding of 15% Exchequer Stock 1997 stated at cost.

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Country registration and operation</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
Tulip International (UK) Bacon Division Limited	England and Wales	Ordinary shares	100%	Processing, packing, sale and distribution of meat products
Tulip International (UK) Cooked Meats Division Limited	England and Wales	Ordinary shares	100%	Processing, packing, sale and distribution of meat products
Tulip International (UK) Croydon Limited	England and Wales	Ordinary shares	100%	Non-trading company
Tulip International (UK) Wellingborough Limited	England and Wales	Ordinary shares	100%	Non-trading company

# Tulip International (UK) Limited

## NOTES TO THE ACCOUNTS at 28 September 1997

### 9. DEBTORS

	1997 £'000	1996 £'000
Amounts owed by parent undertaking	-	8,170
Amounts owed by subsidiary undertakings	6,422	592
Prepayments and accrued income	80	382
	<u>6,502</u>	<u>9,144</u>

### 10. CREDITORS : amounts falling due within one year

	1997 £'000	1996 £'000
Amounts owed to parent undertaking	-	4,552
Amounts owed to subsidiary undertakings	6,142	3,936
Other creditors	-	297
	<u>6,142</u>	<u>8,785</u>

### 11. CALLED UP SHARE CAPITAL

The called-up share capital of the company at the beginning and the end of the year was:

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
Ordinary shares of £1 each	<u>7,500</u>	<u>7,500</u>	<u>7,436</u>	<u>7,436</u>

### 12. STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account £'000</i>
At 30 September 1996	
- as previously reported	(19,591)
Prior year adjustment	<u>1,372</u>
- as restated	<u>(18,219)</u>
Profit for year ended 28 September 1997	<u>6,308</u>
At 28 September 1997	<u>(11,911)</u>

NOTES TO THE ACCOUNTS  
at 28 September 1997

**13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	1997 £'000	1996 £'000
Profit/(loss) for the year and net increase/(reduction) from shareholder's funds	6,308	(1,530)
Opening shareholder's funds - as restated	15,492	17,022
Closing shareholder's funds	<u>21,800</u>	<u>15,492</u>

**14. CAPITAL RESERVE**

The capital reserve of £26,000,000 represents a capital contribution from the parent company. £5,000,000 was contributed in 1989, £1,000,000 was contributed in 1993 and a further £20,000,000 was contributed in 1995.

**15. ULTIMATE PARENT COMPANY**

The ultimate parent company is Tulip International A/S incorporated in Denmark.

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Tulip International A/S, incorporated in Denmark.

Copies of the group accounts can be obtained by writing to The Company Secretary, Tulip International (UK) Limited, Caxton Way, Thetford, Norfolk, IP24 3SB.

**16. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in FRS 8 from disclosing any transactions with related parties that are part of Tulip International A/S or investees of the group.