

1330427

Tulip International (UK) Limited

Report and Accounts

3 October 1998



Tulip International (UK) Limited

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

DIRECTORS' REPORT

The directors present their annual report and accounts for the year ended 3 October 1998.

RESULTS AND DIVIDEND

The profit on ordinary activities after taxation for the year ended 3 October 1998 amounts to £11,154,000 (1997 - £6,308,000) 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. Favourable exchange and low material prices have complemented the strong underlying performance in all of the company's operating subsidiaries.

DIRECTORS AND THEIR INTERESTS

R Drake

S A Thomsen (Danish)

P Rasztar (Danish)

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.

YEAR 2000 COMPLIANCE

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 200 issues.

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

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

11 March 1999

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 3 October 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
Cambridge
26 March 1999

Tulip International (UK) Limited

PROFIT AND LOSS ACCOUNT for the year ended 3 October 1998

	<i>Notes</i>	<i>1998 £'000</i>	<i>1997 £'000</i>
Administrative expenses		-	-
OPERATING PROFIT	3	-	-
Loss on disposal of investments	8	(4)	-
Release of provision against investments in subsidiary undertakings	8	11,051	6,269
Interest and dividends receivable	5	27	166
Interest payable	5	-	(128)
		11,074	6,307
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		11,074	6,307
Tax on profit on ordinary activities	7	80	1
RETAINED PROFIT FOR THE YEAR	13	11,154	6,308

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 3 October 1998

	<i>1998 £000</i>	<i>1997 £000</i>
Profit for the year	11,154	6,308
Total recognised gains and losses relating to the year	11,154	6,308

Tulip International (UK) Limited

BALANCE SHEET

at 3 October 1998

	<i>Notes</i>	<i>1998 £'000</i>	<i>1997 £'000</i>
FIXED ASSETS			
Investments	8	32,453	21,402
CURRENT ASSETS			
Debtors	9	666	6,502
Cash		2	38
		668	6,540
CREDITORS: amounts falling due within one year	10	167	6,142
NET CURRENT ASSETS		501	398
TOTAL ASSETS LESS CURRENT LIABILITIES		32,954	21,800
CAPITAL AND RESERVES			
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	(757)	(11,911)
EQUITY SHAREHOLDER'S FUNDS		32,954	21,800



P Rasztar
Director

W March 1999

Tulip International (UK) Limited

NOTES TO THE ACCOUNTS

at 3 October 1998

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.

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 immediate 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:	1998 £'000	1997 £'000
The company		
Auditors' remuneration - audit services	-	-
The group		
Auditors' remuneration - audit services	69	63
Auditors' remuneration - non-audit services	123	40

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 3 October 1998

4. DIRECTORS' EMOLUMENTS

	<i>1998</i> <i>£'000</i>	<i>1997</i> <i>£'000</i>
Emoluments	270	195
Pension contribution paid on behalf of the directors	11	10
Emoluments of the highest paid director are as follows: Aggregate emoluments excluding pension contributions	169	91

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 £nil during the year ended 3 October 1998 (1997 - £10,000). The amount of annual pension which would be payable under the defined benefit scheme on attaining normal pensionable age should he have retired on 3 October 1998 was £nil (1997 - £12,220).

5. INTEREST AND DIVIDENDS RECEIVABLE

	<i>1998</i> <i>£'000</i>	<i>1997</i> <i>£'000</i>
Interest receivable:		
From subsidiary undertakings	-	128
Other interest receivable	27	2
	27	130
Dividends receivable	-	36
	27	166
Interest payable	-	128
Interest payable to parent undertaking	-	-
	-	128

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 ON ORDINARY ACTIVITIES

	<i>1998</i> <i>£'000</i>	<i>1997</i> <i>£'000</i>
Corporation tax charge on the profit for the year	-	(1)
Adjustments to prior years	80	2
	80	1

Tulip International (UK) Limited

NOTES TO THE ACCOUNTS

at 3 October 1998

8. INVESTMENTS

	<i>Subsidiary Undertakings</i>	<i>Other Investments</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cost or valuation:			
At 30 September 1997	38,611	20	38,631
Additions	-	20	20
Disposal	-	(20)	(20)
At 3 October 1998	38,611	20	38,631
Provisions against investments in subsidiary undertakings:			
At 30 September 1997	17,229	-	17,229
Released during the year	(11,051)	-	(11,051)
At 3 October 1998	6,178	-	6,178
Net book value			
At 3 October 1998	32,433	20	32,453
At 30 September 1997	21,382	20	21,402

The cost of investments in subsidiary undertakings held at valuation was £13,186,000 (1997 - £13,186,000).

Other investments represents a holding of 10% Exchequer Stock 2003 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%	Facilities management company
Tulip International (UK) Wellingborough Limited	England and Wales	Ordinary shares	100%	Non-trading company

Tulip International (UK) Limited

NOTES TO THE ACCOUNTS

at 3 October 1998

9. DEBTORS

	1998 £'000	1997 £'000
Amounts owed by subsidiary undertakings	666	6,422
Prepayments and accrued income	-	80
	<u>666</u>	<u>6,502</u>

10. CREDITORS : amounts falling due within one year

	1998 £'000	1997 £'000
Amounts owed to subsidiary undertakings	167	6,142
	<u>167</u>	<u>6,142</u>

11. CALLED UP SHARE CAPITAL

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

	Authorised		Allotted, called up and fully paid	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Ordinary shares of £1 each	7,500	7,500	7,436	7,436
	<u>7,500</u>	<u>7,500</u>	<u>7,436</u>	<u>7,436</u>

12. STATEMENT OF MOVEMENT ON RESERVES

	Profit and loss account £'000
At 30 September 1997	(11,911)
Profit for year ended 3 October 1998	11,154
At 3 October 1998	<u>(757)</u>

Tulip International (UK) Limited

NOTES TO THE ACCOUNTS

at 3 October 1998

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	<i>1998</i> <i>£'000</i>	<i>1997</i> <i>£'000</i>
Profit for the year and net increase from shareholder's funds	11,154	6,308
Opening shareholder's funds	21,800	15,492
Closing shareholder's funds	<u>32,954</u>	<u>21,800</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. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking 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.

In the directors opinion, the company's ultimate parent undertaking and controlling party is Danish Crown AmbA, incorporated in Denmark. Copies of its group accounts, which include the company, are available from Danish Crown AmbA, Marsvej 43, DK8900, Randers, Denmark.

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 Danish Crown AmbA group.