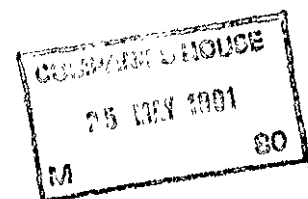


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ESS FOOD (UK) GROUP LIMITED

DIRECTORS' REPORT AND ACCOUNTS

29 SEPTEMBER 1990



ESS FOOD (UK) GROUP LIMITED

DIRECTORS' REPORT 29 SEPTEMBER 1990

BOARD OF DIRECTORS

Governing Directors

B.H. Knudsen (Chairman)
P. Raszta (Managing)
J. Edelmann
H. Hansen
O. Jakobsson
K. Johannesen
C. Johansen
B. Kjeldsen
S.G. Pedersen
W.H. Tiedemann
R.J. Rasmussen
K.M. Nielsen
B. Maribo
N.V. Tange

SECRETARY

G. Kjeldsen appointed 28 September 1990

REGISTERED OFFICE

Howardgate, Welwyn Garden City, Herts,
AL8 6NN.

ACCOUNTS AND DIVIDENDS

The directors submit their report and the audited accounts for the year ended 29 September 1990.

The profit for the financial year amounts to £3,463,500 and is dealt with as shown in the Profit and Loss account.

The directors do not recommend the payment of an ordinary dividend.

PRINCIPAL ACTIVITIES

The company is a holding and co-ordinating company and does not trade in its own right.

DIRECTORS AND SECRETARY

The directors of the company who served during the year were those listed above.

ESS FOOD (UK) GROUP LIMITED

DIRECTORS' REPORT 29 SEPTEMBER 1990

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By Order Of The Board



S. KJELDSSEN
Secretary

DEC 17 1990

REPORT OF THE AUDITORS TO THE MEMBERS OF ESS FOOD (UK) GROUP LIMITED

We have audited the accounts on pages 4 to 8 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 29 September 1990 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants

Luton

17 September 1990

ESS FOOD (UK) GROUP LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 29 SEPTEMBER 1990

	Notes	1990 £	1989 £
MANAGEMENT CHARGES RECEIVED		173,992	92,887
Administrative expenses	2	173,992	92,887
		<hr/>	<hr/>
Release (establishment) of provision for diminution in value of investments in subsidiary companies	4	-	-
		3,463,500	(3,646,160)
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>3,463,500</u>	<u>(3,646,160)</u>

STATEMENT OF ACCUMULATED LOSSES

Balance at 1 October 1989	(3,646,160)	-
Profit/(Loss) for the financial year	<u>3,463,500</u>	<u>(3,646,160)</u>
Balance at 29 September 1990	<u>(182,660)</u>	<u>(3,646,160)</u>

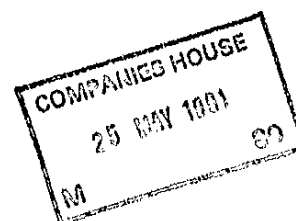
ESS FOOD (UK) GROUP LIMITED

BALANCE SHEET - 29 SEPTEMBER 1990

	Notes	1990 £	1989 £
FIXED ASSETS			
Investments in subsidiaries	4		
ESS FOOD Danepak Limited		5,186,500	1,723,000
Anglo Danish Food Transport Limited		-	-
Bacon Distribution Centre Limited		87,644	87,644
ESS FOOD Fresh Meat Limited		18,119	18,119
ESS FOOD UK Limited		10,000	10,000
		<u>5,302,263</u>	<u>1,838,763</u>
CREDITORS - amounts falling due			
after more than one year			
Loan from ESS FOOD Denmark	5	<u>10,000</u>	<u>10,000</u>
CAPITAL AND RESERVES			
Called up share capital	6	200,000	200,000
Share premium account		274,923	274,923
Capital reserve	7	5,000,000	5,000,000
Profit and loss account (Deficit)		(182,660)	(3,646,160)
		<u>5,292,263</u>	<u>1,828,763</u>
		<u>5,302,263</u>	<u>1,838,763</u>

Borgo Kjeet
Hedelmann
 17/12/90

} Directors



ESS FOOD (UK) GROUP LIMITED

NOTES ON THE ACCOUNTS 29 SEPTEMBER 1990

1. ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) Group accounts

Group accounts have not been prepared as the company is itself a wholly owned subsidiary and the directors consider their production would involve expense and delay out of proportion to the value to the members as permitted by Section 229(3) of the Companies Act 1985.

2. OPERATING RESULT

	1990 £	1989 £
Operating result is stated after charging:		
Auditors' remuneration	1,500	1,500
Directors' emoluments	26,000	15,264
	<hr/>	<hr/>

3. DIRECTORS' EMOLUMENTS

	1990 £	1989 £
The emoluments, excluding pension contributions, of the directors of the company were as follows:		
Chairman	7,000	1,000
Highest paid director	2,000	1,250
	<hr/>	<hr/>

	Number of directors	
Other directors in the scale 0 - £5,000	12	12
There were no other employees of the company during the year.		

ESS FOOD (UK) GROUP LIMITED

NOTES ON THE ACCOUNTS 29 SEPTEMBER 1990

4. SUBSIDIARY COMPANIES

	1990 £	1989 £
Shares at cost		
As at 1 October 1989	5,484,923	484,923
Shares acquired during year	-	5,000,000
	<hr/>	<hr/>
As at 29 September 1990	<u>5,484,923</u>	<u>5,484,923</u>
Provision for diminution in Value		
As at 1 October 1989	3,646,160	-
(Released)/provided during year	(3,463,500)	3,646,160
	<hr/>	<hr/>
As at 29 September 1990	<u>182,660</u>	<u>3,646,160</u>
Net book amounts	<u>5,302,263</u>	<u>1,838,763</u>

The wholly owned subsidiary companies at 29 September 1990, all registered in England, were:

Trading	ESS FOOD Danepak Limited (bacon processing)
	ESS FOOD UK Limited (bacon and fresh meat trading)
	Bacon Distribution Centre Limited (property owning)
Non Trading	ESS FOOD (Fresh Meat) Limited
	Anglo Danish Food Transport Limited

The capital and reserves of the trading subsidiaries at 29 September 1990 and their profits/(losses) for the year ended on that date, as contained in their audited accounts, were as follows:-

	Capital & reserves £000	Profit/ (loss) £000
Ess Food Danepak Limited	8,832	858
Ess Food UK Limited	(374)	(276)
Bacon Distribution Centre Limited	<u>96</u>	<u>40</u>

5. ESS FOOD LOAN

The loan from Ess Food Denmark is interest free and is repayable on notice of at least one year.

ESS FOOD (UK) GROUP LIMITED

NOTES ON THE ACCOUNTS 29 SEPTEMBER 1990

6. CALLED UP SHARE CAPITAL

	1990 £	1989 £
Authorised, allotted and fully paid 200,000 ordinary shares of £1 each	200,000	200,000

7. CAPITAL RESERVE

The capital reserve represents a capital contribution from the company's ultimate holding company. The directors do not regard it as distributable.

8. ULTIMATE HOLDING COMPANY

The company's ultimate holding company (as defined by Section 736 of the Companies Act 1985) is Ess Food Eksportslagteriernes Salgsforening, registered in Denmark.