

Registered No. 2207650

**UB (ROSS YOUNG'S) LIMITED**

**REPORT AND ACCOUNTS**

**FOR**

**THE 52 WEEKS ENDED**

**30th DECEMBER 1995**



# **UB (Ross Young's) Limited**

## **Directors' Report**

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### **Directors**

A.G. Clark  
A.D. Frew  
E.L. Nicoli  
J.A. Warren

The directors present their report and the accounts for the fifty-two weeks ended 30th December 1995.

### **Principal activities and review of the business**

The principal activities of the Company are the manufacture and processing of frozen and chilled products.

The UK frozen food market was static in volume but rose 8% in value, driven primarily by price inflation in potato products and vegetables. Ross Young's increased sales of frozen and chilled foods on a like-for-like basis by 8%. Under recovery of large input cost increases prevented the Company from maintaining the financial improvement of recent years: margins were reduced by 0.8 percentage points and profits fell 11% to £29.8 million.

Sales of specialist brands grew 12%. The Company opened a new £8 million vegetarian ready meals factory and raised sales of the Linda McCartney range by 28%, strengthening our leadership in the vegetarian market. San Marco pizzas maintained market leadership and extended into the chilled pizza sector. We broadened the Chip Shop range and increased our branded share of the frozen desserts market.

Details of turnover and operating profit are set out in note 2 of the accounts.

Full details of the performance of the United Biscuits group are set out in the report and accounts of United Biscuits (Holdings) plc, the ultimate parent company, copies of which may be obtained from the address shown in note 19.

### **Transactions during the year**

On 4th October 1995, prior to completion of the sale of the United Biscuits group's Spanish snack operations, the assets of the Group's sandwich making business in Spain were transferred from the Group's Spanish subsidiary, Dora Carreño SA, to the Company. Dora Carreño SA has subsequently been sold by the Group.

### **Profit and appropriations**

The profit and appropriations for the year are shown in the profit and loss account on page 6. On 29th September 1995 the Company paid a dividend of £14m. The directors do not recommend the payment of any further dividend.

### **Fixed Assets**

An analysis of the movement in tangible assets is shown in note 6.

### **Research and development**

Research and development expenditure plays an essential part in the Company's commitment to product innovation and the development of more effective production and packaging technology. In addition to new product success, significant research advances were achieved in the understanding of key raw materials and processes.

### **Employment policies**

The Company has a comprehensive framework of employment policies.

Employees at all levels shall not in the course of employment discriminate against any other person, or be discriminated against on the grounds of colour, race, religion, sex, marital status or ethnic or national origins.

# **UB (Ross Young's) Limited**

## **Directors' Report (continued)**

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### **Employment policies (continued)**

This policy applies in respect of all conditions of work, including salaries and wages, hours of work, holiday entitlement, overtime and shift work, sick pay, recruitment, training, promotion, redundancy and use of available amenities.

Equal opportunities are offered to disabled persons, whether registered or not, applying for vacancies having regard to their aptitudes and abilities. Arrangements are made to continue the employment wherever possible of those employees who have become disabled. Consideration is also given to arranging appropriate training facilities or providing special aids where necessary. Disabled persons are also provided with the same opportunities for training, career development and promotion that are available to all employees within the limitations of their aptitudes and abilities.

There are regular consultations at all levels with employees through union representatives, staff councils and consultative committees. Information on matters of concern to employees is given through a comprehensive programme incorporating meetings, conferences, printed and electronic news systems and publications.

The Company not only complies with the safety and health measures required by law, but acts positively to ensure that its premises are safe and healthy places in which to work. It recognises that the health, safety and welfare of all its employees, whether on Company premises or carrying out Company business elsewhere, is primarily the management's responsibility. In addition, the Company recognises that it has a responsibility for the health and safety of other persons whilst they are on its premises.

### **Directors**

The names of the present directors, all of whom served throughout the year are as stated above. In accordance with the articles of association, they all remain in office.

Directors of the Company are eligible to participate in the group's employee share schemes. Except in relation to the scrip dividend alternative, no other arrangements to which the Company was a party subsisted at the end of the year or at any time during the year which would enable directors or their families to acquire benefits by the acquisition of shares in, or debentures of, the Company or any other body corporate.

No director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business.

The interests of the directors and their families in the share capital of the ultimate holding company, United Biscuits (Holdings) plc at the beginning and end of the year are set out in note 17 to the accounts.

During the year the Company maintained liability insurance for its directors and officers.

### **Auditors**

A resolution to reappoint Ernst & Young as auditors will be put to the annual general meeting.

On behalf of the board



**A.D. Frew**  
Secretary

18th March 1996

Registered Office:

Church Road  
West Drayton  
Middlesex UB7 7PR

**Statement of directors' responsibilities in relation to the accounts**

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The following statement which should be read in conjunction with the report of the auditors set out on page 5, describes the responsibilities of the directors in relation to these accounts.

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the year and of the profit and loss for the year.

The directors are of the opinion that, in preparing the accounts on pages 6 to 18 inclusive, appropriate accounting policies have been consistently applied, supported by reasonable and prudent estimates and judgements, and all applicable accounting standards have been followed.

The directors are responsible for ensuring that the Company keeps accounting records which disclose, with reasonable accuracy, the financial position of the Company and which enable them to ensure that the accounts comply with the Companies Act 1985.

The directors also have responsibility for safeguarding the assets of the Company and for taking reasonable steps to ensure the prevention of fraud and other irregularities.

They are satisfied that the Company has adequate resources to meet its operational needs for the foreseeable future and accordingly they continue to adopt the going concern basis in preparing the accounts.

## **UB (Ross Young's) Limited**

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### **Report of the auditors to the members of UB (Ross Young's) Limited**

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We have audited the accounts on pages 6 to 18 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 8 and 9.

#### **Respective responsibilities of directors and auditors**

As described on page 4 the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion on those accounts based on our audit, 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 affairs of the Company as at 30th December 1995 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young*

**Ernst & Young**  
Chartered Accountants  
Registered Auditor  
London

18th March 1996

# UB (Ross Young's) Limited

## Profit & Loss Account

for the 52 weeks ended 30th December 1995

Notes		1995 £m	1994 £m
2	<b>Turnover</b>		
	Continuing operations	570.4	529.7
	Discontinuing operations	1.3	32.5
	<b>Total turnover</b>	<b>571.7</b>	<b>562.2</b>
	Trade discounts	124.0	124.6
	<b>Turnover after trade discounts</b>	<b>447.7</b>	<b>437.6</b>
	Cost of sales	341.3	332.1
	<b>Gross profit</b>	<b>106.4</b>	<b>105.5</b>
	Distribution, selling and marketing costs	65.2	61.6
	Administrative expenses	9.8	10.4
	Operational reorganisation	1.6	-
	<b>Operating profit</b>		
	Continuing operations	29.8	33.4
	Discontinued operations	-	0.1
	<b>Total operating profit</b>	<b>29.8</b>	<b>33.5</b>
	Loss on disposal of discontinued operations	-	(4.7)
	Loss on disposal of fixed assets	(2.8)	-
2	<b>Profit before interest</b>	<b>27.0</b>	<b>28.8</b>
3	Interest	4.0	3.3
	<b>Profit on ordinary activities before tax and exceptional items</b>	<b>27.4</b>	<b>30.2</b>
	<b>Total exceptional items</b>	<b>(4.4)</b>	<b>(4.7)</b>
	<b>Profit on ordinary activities before tax</b>	<b>23.0</b>	<b>25.5</b>
4	Tax on profit on ordinary activities	5.3	9.7
	<b>Profit attributable to shareholders</b>	<b>17.7</b>	<b>15.8</b>
5	Dividends	14.0	44.2
14	<b>Balance to/(from) reserves</b>	<b>3.7</b>	<b>(28.4)</b>

There were no recognised gains or losses other than the profit for the year disclosed above.

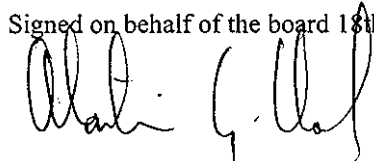
# UB (Ross Young's) Limited

## Balance Sheet

as at 30th December 1995

Notes		1995 £m	1994 £m
	<b>Fixed assets</b>		
6	Tangible assets	105.1	100.6
7	Investments	0.7	0.7
		<b>105.8</b>	<b>101.3</b>
	<b>Current assets</b>		
8	Stocks	50.3	50.1
9	Debtors	51.0	48.0
	Taxation	-	2.6
	Amount owed by parent company and fellow subsidiary undertakings	124.3	124.5
	Cash at bank and in hand	3.0	2.9
		<b>228.6</b>	<b>228.1</b>
	<b>Creditors: amounts falling due within one year</b>		
10	Trade and other creditors	76.5	73.0
	Loans, overdrafts and finance lease obligations	-	1.2
	Amount owed to parent company and fellow subsidiary undertakings	142.8	145.4
	Taxation	3.2	-
		<b>222.5</b>	<b>219.6</b>
	<b>Net current assets</b>	<b>6.1</b>	<b>8.5</b>
	<b>Total assets less current liabilities</b>	<b>111.9</b>	<b>109.8</b>
	<b>Creditors: amounts falling due after more than one year</b>		
11	Other creditors	0.9	0.8
12	<b>Provisions for liabilities and charges</b>	<b>3.8</b>	<b>5.5</b>
		<b>107.2</b>	<b>103.5</b>
	<b>Capital and reserves</b>		
13	Called up equity share capital	0.1	0.1
14	Share premium account	37.8	37.8
14	Capital reserve	34.2	34.2
14	Profit and loss account	35.1	31.4
	<b>Shareholder's funds</b>	<b>107.2</b>	<b>103.5</b>

Signed on behalf of the board 18th March 1996.



A.G. Clark

# UB (Ross Young's) Limited

Notes to the accounts at 30th December 1995

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## 1 Accounting policies

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### Basis of accounting

The accounts are prepared on the historical cost basis of accounting, and in accordance with applicable accounting standards.

### Turnover

Turnover consists of sales to third parties before discounts and excludes value added tax.

### Exceptional items

Items which are of an exceptional nature by virtue of their size or incidence are included within operating profit unless they represent profits or losses on the sale or termination of an operation, costs of a fundamental reorganisation or restructuring having a material effect on the nature and focus of the group, or profits or losses on the disposal of fixed assets. In these cases, separate disclosure is provided in the profit and loss account after operating profit.

### Tangible assets

Depreciation is calculated to write off the cost of the assets over their expected useful lives by equal annual instalments principally at the following rates:

Land and buildings	-	1½% unless short leasehold
Short leasehold	-	over the life of the lease
Plant	-	3-15% p.a.
Vehicles	-	20-30% p.a.
Fixtures & Fittings	-	10-33% p.a.

### Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the primary lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

### Stocks

Stocks are valued at the lower of cost and net realisable value. Cost in the case of raw materials and goods for resale is determined on a first-in, first-out basis. Cost, in the case of products manufactured by the Company, comprises direct material and labour cost together with appropriate factory overheads.

### Commodity purchases

Certain commodities are purchased on the futures market in order to reduce the exposure to changes in the cost of ingredients. When contracts are closed, the realised surplus and deficits are applied against the cost of the related ingredients in the year of delivery.

### Pensions

The expected cost of the Company's pension schemes is charged to the profit and loss account over the service lives of employees. Variations from regular cost are spread over the expected remaining service lives of the relevant employees.

### Taxation

Deferred taxation is provided on all timing differences of material amount except where no liability is likely to arise in the foreseeable future. Advance corporation tax is carried forward provided that it is expected to be offset against corporation tax liabilities on the profits of the next accounting period.



# **UB (Ross Young's) Limited**

Notes to the accounts at 30th December 1995 (continued)

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## **1 Accounting policies (continued)**

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### **Foreign currency translations**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction, all differences being taken to the profit and loss account.

### **Research and development**

Expenditure on research and development is written off as incurred.

### **Cash flow statement**

The Company has not produced a cash flow statement as the ultimate holding Company, United Biscuits (Holdings) plc has prepared a consolidated cash flow statement complying with FRS 1.

### **Government grants**

Capital grants received in respect of any fixed assets are credited to deferred income and amortised to the profit and loss account over the economic useful lives of the assets to which they relate.

### **Adjustments to comparative figures**

Certain comparative figures in the accounts and the notes thereto have been revised in minor respects onto a basis consistent with that applied in the current year.

# UB (Ross Young's) Limited

Notes to the accounts at 30th December 1995 (continued)

## 2 Profit before interest

All of the Company's turnover, arose in the United Kingdom and in the opinion of the directors is all in the same business segment relating to the manufacture of frozen and chilled food products.

Full analysis of turnover down to profit before interest is set out below:

	<u>1995</u>			<u>1994</u>		
	Continuing operations £m	Discontinued operations £m	Total £m	Continuing operations £m	Discontinued operations £m	Total £m
Turnover	570.4	1.3	571.7	529.7	32.5	562.2
Trade discounts	123.5	0.5	124.0	114.1	10.5	124.6
Turnover after discounts	446.9	0.8	447.7	415.6	22.0	437.6
Cost of sales	340.6	0.7	341.3	312.5	19.6	332.1
Gross profit	106.3	0.1	106.4	103.1	2.4	105.5
Distribution, selling and marketing expenses	65.2	-	65.2	59.4	2.2	61.6
Administrative expenses	9.7	0.1	9.8	10.3	0.1	10.4
Operational reorganisation	1.6	-	1.6	-	-	-
Operating profit before exceptional items	29.8	-	29.8	33.4	0.1	33.5
Non-operating exceptional items	-	(2.8)	(2.8)	-	(4.7)	(4.7)
Profit / (loss) before interest	29.8	(2.8)	27.0	33.4	(4.6)	28.8

	<u>1995</u> £m	<u>1994</u> £m
<b>Profit before interest is after charging:</b>		
Operating exceptional item:		
- Operational reorganisation	1.6	-
Non-operating exceptional item:		
- Loss on disposal of fixed assets	2.8	-
- Loss on disposal of businesses	-	4.7
<b>Total exceptional items</b>	<b>4.4</b>	<b>4.7</b>
Depreciation	13.2	12.4
Operating lease rental	3.0	3.0
- Plant and machinery		
- Land and buildings	1.0	1.0
Research and development	0.8	0.8
Government grants released to profit	0.1	0.1
Directors' emoluments (see note 16)	-	-
	<u>£000's</u>	<u>£000's</u>
Fees paid to auditors:		
- In their capacity as auditors	126	128
- For other services	19	19

# UB (Ross Young's) Limited

Notes to the accounts at 30th December 1995 (continued)

## 3 Interest

	1995 £m	1994 £m
<b>Interest payable</b>		
Fellow subsidiary undertakings	4.0	3.4
<b>Interest receivable</b>		
Other	-	0.1
<b>Net interest expense</b>	<u>4.0</u>	<u>3.3</u>

## 4 Tax on profit on ordinary activities

	1995 £m	1994 £m
On the profit for the year:		
UK corporation tax at 33%	7.9	9.5
Adjustments in respect of prior years	(2.7)	(0.1)
Deferred tax	<u>0.1</u>	<u>0.3</u>
	<u>5.3</u>	<u>9.7</u>

The tax credit on the non-operating exceptional charge of £2.8m (1994: £4.7m) was £ nil (1994: £0.7m).  
The tax credit on the operating exceptional charge of £1.6m (1994: £ nil) was £0.5m (1994: £ nil).

## 5 Dividends

	1995 £m	1994 £m
Dividends - paid	<u>14.0</u>	<u>44.2</u>

# UB (Ross Young's) Limited

Notes to the accounts at 30th December 1995 (continued)

## 6 Tangible Assets

	Land and buildings		Plant, machinery and vehicles	Fixtures and fittings	Total
	Freehold	Leasehold			
	£m	£m	£m	£m	£m
<b>Cost</b>					
At 1st January 1995	20.5	25.1	118.0	5.2	168.8
Additions	0.7	2.4	14.4	0.3	17.8
Disposals	-	(0.1)	(2.7)	(0.2)	(3.0)
Reclassification	0.1	0.1	(0.1)	(0.1)	-
<b>At 30th December 1995</b>	<b>21.3</b>	<b>27.5</b>	<b>129.6</b>	<b>5.2</b>	<b>183.6</b>
<b>Depreciation</b>					
At 1st January 1995	2.6	5.3	56.4	3.9	68.2
Charge for year	0.4	2.9	9.4	0.5	13.2
Disposals	-	-	(2.7)	(0.2)	(2.9)
<b>At 30th December 1995</b>	<b>3.0</b>	<b>8.2</b>	<b>63.1</b>	<b>4.2</b>	<b>78.5</b>
<b>Net book value at 30th December 1995</b>	<b>18.3</b>	<b>19.3</b>	<b>66.5</b>	<b>1.0</b>	<b>105.1</b>
Net book value at 1st January 1995	17.9	19.8	61.6	1.3	100.6

The net book value of leasehold properties includes £3.4m (1994: £3.6m) in respect of leases with under fifty years to run at 30th December 1995.

### Analysis of leased tangible assets

The book value of plant, machinery and vehicles acquired under finance lease arrangements is set out below:

	£m
At 30th December 1995	
Cost	2.6
Depreciation	(2.6)
Net book value	-
Net book value at 1st January 1995	-

## UB (Ross Young's) Limited

Notes to the accounts at 30th December 1995 (continued)

### 7 Investments

	1995	1994
	£m	£m
Investments in subsidiary undertakings	<u>0.7</u>	<u>0.7</u>

At the 30th December 1995, the Company wholly owned Ross Young's France S.A.R.L., a food marketer incorporated in France. The Company also held investments in other subsidiaries which were either dormant or not significant. In the opinion of the directors the value at which the investments are stated in the accounts is not less than the aggregate value of the investments. Group accounts have not been prepared as the Company is wholly owned by another company incorporated in Great Britain.

### 8 Stocks

	1995	1994
	£m	£m
Raw materials and consumables	18.1	17.9
Work in progress	10.0	9.8
Finished goods	<u>22.2</u>	<u>22.4</u>
	<u>50.3</u>	<u>50.1</u>

There is no material difference between the replacement cost and historical cost of stocks.

### 9 Debtors

	1995	1994
	£m	£m
Trade debtors	47.4	43.5
Other debtors	-	0.6
Prepayments and accrued income	<u>3.6</u>	<u>3.9</u>
	<u>51.0</u>	<u>48.0</u>

Debtors include £2.1m (1994: £2.1m) which is due after more than one year.

## UB (Ross Young's) Limited

Notes to the accounts at 30th December 1995 (continued)

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### 10 Trade and other creditors

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	1995 £m	1994 £m
Trade creditors	25.9	23.5
Other creditors	1.9	4.0
Other taxes and social security costs	2.2	2.0
Accruals and deferred income	<u>46.5</u>	<u>43.5</u>
	<u>76.5</u>	<u>73.0</u>

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### 11 Other creditors falling due after more than one year

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	1995 £m	1994 £m
Deferred income - Government grants	<u>0.9</u>	<u>0.8</u>

# UB (Ross Young's) Limited

## Notes to the accounts at 30th December 1995 (continued)

### 12 Provisions for liabilities and charges

	Deferred tax	Deferred pensions	Rationalisation provisions	Total
	£m	£m	£m	£m
At 1st January 1995	1.0	3.2	1.3	5.5
Profit and loss charge/(credit)	(1.9)	(0.2)	1.6	(0.5)
Payments in the year	-	-	(1.2)	(1.2)
<b>At 30th December 1995</b>	<b>(0.9)</b>	<b>3.0</b>	<b>1.7</b>	<b>3.8</b>

#### Deferred Tax

The deferred tax asset consists of the following:	Accelerated capital allowances	Other timing differences	Total
	£m	£m	£m
At 1st January 1995			
Profit and loss charge/(credit)	2.0	(1.0)	1.0
- in respect of current year	-	0.1	0.1
- in respect of adjustments to prior years	(2.0)	-	(2.0)
<b>At 30th December 1995</b>	<b>-</b>	<b>(0.9)</b>	<b>(0.9)</b>

None of the tax asset is recoverable within one year after the balance sheet date. The potential liability for deferred tax which has not been provided for, is as follows:

	1995	1994
	£m	£m
Accelerated capital allowances	16.9	14.8
Other timing differences	(1.2)	(0.9)
	<u>15.7</u>	<u>13.9</u>

### 13 Equity share capital

	1995	1994
Authorised - 40,000 ordinary shares of £1 each	<u>£40,000</u>	<u>£40,000</u>
Allotted, called up and fully paid shares of £1 each	<u>£37,978</u>	<u>£37,978</u>

# UB (Ross Young's) Limited

## Notes to the accounts at 30th December 1995 (continued)

### 14 Reconciliation of movements in shareholder's funds

	Called up equity share capital £m	Share premium £m	Capital reserve £m	Profit and loss account £m	Total 1995 £m	Total 1994 £m
At 1st January 1995	0.1	37.8	34.2	31.4	103.5	131.9
Profit attributable to shareholders	-	-	-	17.7	17.7	15.8
Dividends	-	-	-	(14.0)	(14.0)	(44.2)
<b>At 30th December 1995</b>	<b>0.1</b>	<b>37.8</b>	<b>34.2</b>	<b>35.1</b>	<b>107.2</b>	<b>103.5</b>

### 15 Pay and benefits to employees

	1995 £m	1994 £m
Gross wages and salaries, holiday and sick pay	61.7	67.4
Social security costs	5.1	5.9
Pensions and other costs	<u>2.1</u>	<u>2.7</u>
	<b>68.9</b>	<b>76.0</b>

During the year the average number of employees was 5,478 (1994: 5,649).

#### Pension Schemes

The Company's principal pension scheme is of the defined benefit type funded by payments to a separate trustee administered fund. The latest actuarial valuation of this scheme was carried out by independent qualified actuaries during 1994.

The main actuarial assumptions were as follows:

Investment return per annum	9%
Wages and salaries increases per annum	7%
Pension increases per annum	5%

Certain employees of the Company are members of the United Biscuits (UK) Limited pension schemes. The independent actuaries have advised that the projected unit method be used for valuing the United Biscuits Pension Plan ("the Plan") and the attained age method should be used for the UB (Ross Young's) Pension Plan ("the RY Plan"). The market values at the latest valuations were £441m (the Plan) and £38m (the RY Plan) and the funding levels as a percentage of accrued benefit liabilities were 101% and 96% respectively.

At 30th December 1995, included in provisions for liabilities and charges, is an amount of £3.0m (1994: £3.2m) resulting from the differences between cost and the amounts funded in respect of the RY Plan. In addition, pre-payments include an amount of £2.1m (1994: £2.1m) resulting from the difference between pension cost and the amounts funded in respect of the Plan.



# UB (Ross Young's) Limited

Notes to the accounts at 30th December 1995 (continued)

## 16 Directors' emoluments

	1995 £000's	1994 £000's
Emoluments as executives:		
- Salaries	941	869
- Benefits in kind	62	55
- Pension contributions	<u>219</u>	<u>203</u>
	<u>1,222</u>	<u>1,127</u>

Emoluments, excluding pension fund contributions, of the directors were within the following bands

£	No.	No.
125,001 - 130,000	-	1
145,001 - 150,000	1	1
155,001 - 160,000	1	-
235,001 - 240,000	-	1
255,001 - 260,000	1	-
405,001 - 410,000	-	1
430,001 - 435,000	1	-

The emoluments, excluding pension contributions, of the highest paid director, were £434,752 (1994: £408,294).

The directors of the Company are also directors of fellow subsidiaries. The directors received total remuneration for the year of £1,221,567 (1994: £1,126,544), which was paid by fellow subsidiaries. The directors do not believe that it is practicable to apportion this amount between their services as directors of the Company and their services as directors of fellow subsidiaries.

## 17 Directors' interests in the share capital of the ultimate holding company

	Ordinary Shares		Options			
	1995 No.	1994 No.	1995 No.	Granted	Exercised	1994 No.
A.G. Clark	42,502	38,332	124,930	42,668	2,300	84,562
A.D. Frew	-	-	154,626	53,266	-	101,360
E.L. Nicoli	71,941	31,544	476,689	104,052	33,721	406,358
J.A. Warren	19,867	10,320	257,090	61,888	16,676	211,878

Since the year end, the beneficial shareholdings of A.G. Clark, E.L. Nicoli and J.A. Warren have increased by 240, 12 and 271 shares respectively.

The options are exercisable at prices varying from 219p to 400p up to September 2005.

## UB (Ross Young's) Limited

Notes to the accounts at 30th December 1995 (continued)

### 18 Financial commitments

The Company's financial commitments in respect of capital expenditure and rentals are summarised below:

	1995 £m	1994 £m
Capital expenditure:		
- contracted for	0.4	1.7
- authorised but not contracted for	<u>2.1</u>	<u>3.7</u>
	<u>2.5</u>	<u>5.4</u>

#### Rental commitments

As at 30th December 1995 the Company had annual rental commitments in respect of non-cancellable operating leases as follows:

	1995		1994	
	Land & buildings £m	Other £m	Land & buildings £m	Other £m
Expiring within one year	-	0.7	-	0.6
Within two to five years	0.2	1.7	-	1.8
Over five years	0.9	-	0.7	-
	<u>1.1</u>	<u>2.4</u>	<u>0.7</u>	<u>2.4</u>

### 19 Ultimate parent company

The ultimate parent company is United Biscuits (Holdings) plc which is incorporated in Scotland. Copies of the group accounts can be obtained from Church Road, West Drayton, Middlesex UB7 7PR.