

Registered No. 2506007

UNITED BISCUITS (UK) LIMITED

REPORT AND ACCOUNTS

FOR

THE 52 WEEKS ENDED

2 JANUARY 1999



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United Biscuits (UK) Limited

Directors' Report

Directors

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

On 7 March 1999 the Company accepted the resignation of Mr. Nicoli as director. Mr. Nicoli left the Company on 30 April 1999.

The directors present their report and the accounts for the fifty-two weeks ended 2 January 1999.

Principal activities and review of the business

The principal activity of the Company is the manufacture and sale of a wide range of food products, including biscuits and savoury snacks.

Biscuits

Sales grew 1% overall and our branded share of the total biscuit market in the United Kingdom increased by 0.4% points. Operating profit also grew by 2% and return on capital employed remained at a very respectable 25%. Competitive pressures were intensified by the increased popularity of 'buy one get one free' promotions. Our participation in these won some dramatic gains in market share, but at a cost to margins. More positively, increased marketing investment behind our core brands enabled us to deliver 8% growth, with Go Ahead!, Chocolate Homewheat, Penguin and Hob Nobs all showing good progress.

A number of new products were successfully launched to support the continued success of the Go Ahead! range of low fat products. In addition, Crackpots savoury biscuits were launched in time for the World Cup, and a fully-coated extension of the Jaffa Cakes range, manufactured in Finland, was launched.

Savoury Snacks

Sales dropped 2% in a market showing slower growth, but operating profit rose 10% to £34.9m. This was driven by improvements to the sales mix and good cost management.

In a market driven by promotional activity there was a significant increase in marketing expenses generally, including a 7% uplift in media spend year on year. This targeted marketing activity produced good results with a number of brands delivering strong uplifts - Hula Hoops up 12%, Go Ahead! up 43%, Discos and McCoys up 23% and 11% respectively. Overall, core brands grew at 5% offsetting a decline in own label sales.

Within the cost base, a good buying performance and operating efficiency improvements delivered substantial benefits at the gross contribution level, and, year on year, overheads were reduced.

Successful product introductions included Big O's, and further extensions to the Go Ahead! range, culminating in the launch early this year of three varieties of Go Ahead! Crinklins, a new baked snack product packaged in a tube.

I.T. Developments

During the year substantial progress was made on Project Gold, our programme to re-engineer our business processes and to implement SAP and Manugistics software. Progress continues to plan, the roll out beginning with a full business process implementation at our Harlesden factory in July this year. Overall, investment in Project Gold will total £35m with planned savings of £20m per annum. The full benefits of the project will flow from 2001 onwards.

United Biscuits (UK) Limited

Directors' Report (continued)

Profit and appropriations

The profit and appropriations for the year are shown in the profit and loss account on page 7. On 18 December 1998, the Company paid an interim dividend of £4 per share totalling £40m. The Directors do not recommend payment of a further dividend.

Fixed assets

An analysis of the movements in tangible assets is given in note 7.

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.

Charitable donations

During the year the Company made charitable donations to the value of £562,000.

Employment policies

The Company has a comprehensive framework of employment policies. The rights and opportunities of all people to seek, obtain and hold employment with dignity and without any form of discrimination remains of great importance to the Company. It is policy that employees at all levels shall not in their dealings harass or discriminate against other individuals on grounds of gender, race, nationality, religion, marital status, sexual orientation, disability, age or for any reason whatsoever. This policy applies in respect of all conditions of employment.

Equal opportunity is 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.

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 and safety of all its employees, whether on Company premises or carrying out Company business elsewhere, and of persons visiting Company premises, is primarily the responsibility of management.

Suppliers

The Company negotiates appropriate terms and conditions of trade as competitively as it negotiates prices and other commercial matters.

Employees are bound by the terms of the Company's 'Ethics and Operating Principles' which sets out the Company's code of practice on the treatment of its suppliers. This policy states that 'all suppliers will be paid on time in accordance with agreed terms of trade'.

The Company paid suppliers on average within 32 days of invoice during 1998.

United Biscuits (UK) Limited

Directors' Report (continued)

Directors

The names of the present directors, all of whom served throughout the year, are as stated above.

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 parent company, United Biscuits (Holdings) plc at the beginning and end of the year are set out in note 18 to the accounts.

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

Millennium Compliance

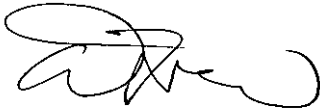
In order to secure our customer service levels across the change to the year 2000, we started planning in 1995 a major programme of millennium compliance activity. This involves the testing and replacement, where necessary, of all computer software, hardware, telecommunications and other equipment containing embedded microchips. The millennium compliance programme remains on schedule. In addition, we are involving our stakeholders, particularly our suppliers and customers, in the establishment and testing of detailed contingency planning arrangements in case of problems in our supply chain.

In accordance with the requirements of the Urgent Issues Task Force of the Accounting Standards Board, incremental costs incurred in achieving millennium compliance are being charged to the profit and loss account as incurred, other than where expenditure is of a capital nature, in which case the Company's normal rules for the capitalisation of expenditure are followed. In 1998, the pre-tax charge, treated as an exceptional item was £9.2m. We estimate that a further exceptional charge of approximately £8m will be incurred during 1999 in order to complete the Company's millennium compliance programme.

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

4 June 1999

Registered Office:

Church Road
West Drayton
Middlesex UB7 7PR

United Biscuits (UK) Limited

Statement of directors' responsibility in relation to the accounts

The following statement which should be read in conjunction with the report of the auditors set out on page 6, 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 7 to 21 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.

United Biscuits (UK) Limited

Report of the auditors to the members of United Biscuits (UK) Limited

We have audited the accounts on pages 7 to 21 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 5 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.

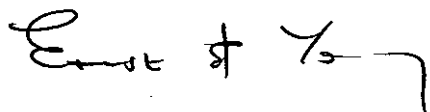
Basis of opinion

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 affairs of the Company as at 2 January 1999 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

4 June 1999

United Biscuits (UK) Limited

Profit & Loss Account

for the 52 weeks ended 2 January 1999

	Notes	1998 £m	1997 £m
Turnover	2	856.0	856.4
Cost of sales		(528.7)	(555.5)
Gross profit		327.3	300.9
Distribution, selling and marketing costs		(187.9)	(165.1)
Administrative expenses		(90.6)	(74.7)
Other income		1.7	3.3
Operating profit before exceptionals		65.4	66.6
Operating exceptional items	3	(14.9)	(2.2)
Total operating profit		50.5	64.4
Loss on disposal of fixed assets	3	(1.4)	(11.5)
Profit before interest	3	49.1	52.9
Interest	4	(18.9)	(8.2)
Profit on ordinary activities before tax		30.2	44.7
Tax on profit on ordinary activities	5	(14.6)	(17.0)
Profit attributable to shareholders		15.6	27.7
Dividends	6	(40.0)	(40.0)
Balance from reserves	15	(24.4)	(12.3)

All activities relate to continuing operations.

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

United Biscuits (UK) Limited

Balance Sheet

as at 2 January 1999

	Notes	1998 £m	1997 £m
Fixed assets			
Tangible assets	7	351.8	329.6
Investments	8	3.0	3.0
		354.8	332.6
Current assets			
Stocks	9	49.4	46.3
Debtors	10	1,417.8	699.4
Cash and short term deposits		27.6	80.0
		1,494.8	825.7
Creditors: amounts falling due within one year			
Trade and other creditors	11	1,391.2	747.0
Loans	12	32.2	1.8
		1,423.4	748.8
Net current assets		71.4	76.9
Total assets less current liabilities		426.2	409.5
Creditors: amounts falling due after more than one year			
Loans	12	55.3	16.7
Deferred income		0.7	0.9
Taxation		2.0	-
		58.0	17.6
Provisions for liabilities and charges	13	5.6	4.9
		63.6	22.5
		362.6	387.0
Capital and reserves			
Called up equity share capital	14	10.0	10.0
Share premium account	15	321.6	321.6
Profit and loss account	15	31.0	55.4
Shareholder's funds	15	362.6	387.0

Approved by the Board and signed on its behalf 4 June 1999.

A.G. Clark

United Biscuits (UK) Limited

Notes to the accounts

1 Accounting policies

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 after trade 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 company, 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 and machinery	-	3-15%
Vehicles	-	20-30%
Fixtures and fittings	-	10-33%

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.

United Biscuits (UK) Limited

Notes to the accounts (continued)

1 Accounting policies (continued)

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.

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.

2 Segmental analysis

No further analysis of results, assets and employee numbers is presented as the business operates in one class.

Turnover derives from the UK with the exception of exports which amounted to £83.5m in 1998 (1997: £82.2m).

United Biscuits (UK) Limited**Notes to the accounts (continued)****3 Profit before interest**

	1998 £m	1997 £m
Profit before interest is after charging:		
Operating exceptional items:		
- Management reorganisation	-	2.2
- Millennium compliance	9.2	-
- Acquisition-related restructuring costs	4.0	-
- Factory closures and reorganisation	<u>1.7</u>	-
	14.9	2.2
Non-operating exceptional items:		
- Loss on disposal of fixed assets	1.4	11.5
Total exceptional items	<u>16.3</u>	<u>13.7</u>
Depreciation	35.1	37.1
Operating lease rentals - plant and machinery	8.6	8.0
- land and buildings	6.9	7.1
Research and development	11.3	6.9
Directors' emoluments (see note 17)	<u>1.4</u>	<u>1.6</u>
Fees paid to auditors:		
- In their capacity as auditors	0.5	0.5
- Internal audit services	0.8	-
- Other services	<u>0.1</u>	<u>0.3</u>

United Biscuits (UK) Limited

Notes to the accounts (continued)

4 Interest

	1998 £m	1997 £m
Interest payable		
Bank loans and overdrafts	5.9	2.3
Fellow subsidiary undertakings	15.8	7.5
Other	<u>1.3</u>	<u>1.2</u>
	<u>23.0</u>	<u>11.0</u>
Interest receivable		
Bank deposits	2.7	2.8
Fellow subsidiary undertakings	<u>1.4</u>	<u>-</u>
	<u>4.1</u>	<u>2.8</u>
Net interest payable	<u>18.9</u>	<u>8.2</u>

United Biscuits (UK) Limited

Notes to the accounts (continued)

5 Tax on profit on ordinary activities

	1998 £m	1997 £m
On the profit for the year:		
UK corporation tax at 31% (1997: 31.5%)	13.8	17.0
Deferred tax	0.2	1.2
Adjustments in respect of prior years:		
Current tax	(0.6)	(0.9)
Deferred tax	<u>1.2</u>	<u>(0.3)</u>
	<u>14.6</u>	<u>17.0</u>

The tax credit on the operating exceptional charge of £14.9m (1997: £2.2m) was £3.7m (1997: £0.5m).

The tax credit on the non-operating exceptional charge of £1.4m (1997: £13.7m) was £Nil (1997: £0.1m).

6 Dividends

	1998 £m	1997 £m
Dividends - paid - £4 per share	<u>40.0</u>	<u>40.0</u>

United Biscuits (UK) Limited

Notes to the accounts (continued)

7

Tangible Assets

	Land and Buildings		Plant, machinery and vehicles £m	Fixtures and fittings £m	Projects in progress £m	Total £m
	Freehold £m	Leasehold £m				
Cost						
At 3 January 1998	114.2	6.9	397.1	27.6	40.7	586.5
Additions	3.1	-	47.6	2.4	6.8	59.9
Disposals	(2.5)	-	(8.9)	(0.4)	-	(11.8)
Reclassification	2.7	(0.6)	23.9	5.9	(31.9)	-
At 2 January 1999	117.5	6.3	459.7	35.5	15.6	634.6
Depreciation						
At 3 January 1998	21.4	2.1	211.6	21.8	-	256.9
Charge for the year	2.5	0.3	28.6	3.7	-	35.1
Disposals	(1.2)	-	(7.6)	(0.4)	-	(9.2)
At 2 January 1999	22.7	2.4	232.6	25.1	-	282.8
Net book value at 2 January 1999	94.0	4.7	227.1	10.4	15.6	351.8
Net book value at 3 January 1998	92.8	4.8	185.5	5.8	40.7	329.6

The net book value of leasehold properties includes £3.8m (1997: £4.2m) in respect of leases with under fifty years to run at 2 January 1999.

United Biscuits (UK) Limited

Notes to the accounts (continued)

8 Investments

	1998 £m	1997 £m
Investments in subsidiary undertakings	<u>3.0</u>	<u>3.0</u>

As at the 2 January 1999 the Company had a 100% interest in UB York Limited and Meredith and Drew Limited. Both of these subsidiaries were dormant throughout the year. In the opinion of the directors the amount at which the investments are stated in the accounts is not less than the aggregate value of the investments. Related party transactions have not been disclosed, and Group accounts have not been prepared, as the Company is wholly owned by another company incorporated in Great Britain.

9 Stocks

	1998 £m	1997 £m
Raw materials and consumables	30.0	31.9
Work in progress	0.4	0.4
Finished goods	<u>19.0</u>	<u>14.0</u>
	<u>49.4</u>	<u>46.3</u>

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

10 Debtors

	1998 £m	1997 £m
Trade debtors	109.0	108.5
Amounts owed by parent company and fellow subsidiary undertakings	1,267.8	558.2
Other debtors	5.4	6.0
Prepayments and accrued income	<u>35.6</u>	<u>26.7</u>
	<u>1,417.8</u>	<u>699.4</u>

Debtors include amounts of £20.6m (1997: £17.3m) which are due after more than one year.

United Biscuits (UK) Limited

Notes to the accounts (continued)

11 Trade and other creditors

	1998 £m	1997 £m
Trade creditors	74.6	62.7
Amounts owed to parent company and fellow subsidiary undertakings	1,201.8	579.3
Other creditors	14.8	11.6
Other taxes and social security costs	16.6	21.6
Accruals and deferred income	83.4	71.8
	<u>1,391.2</u>	<u>747.0</u>

12 Loans

	1998 £m	1997 £m
Other loans	67.3	18.5
Overdrafts	20.2	-
	<u>87.5</u>	<u>18.5</u>
Repayable as follows:		
Over 2 years and under 5 years	2.5	4.7
Over 1 year and under 2 years	<u>52.8</u>	<u>12.0</u>
	55.3	16.7
Under one year	32.2	1.8
	<u>87.5</u>	<u>18.5</u>

United Biscuits (UK) Limited

Notes to the accounts (continued)

13 Provisions for liabilities and charges

	Deferred Tax £m	Rationalisation provisions £m	Total £m
At 3 January 1998	4.0	0.9	4.9
Profit and loss charge			
- current year	0.2	-	0.2
- prior year	1.2	-	1.2
Utilisation	-	(0.7)	(0.7)
At 2 January 1999	5.4	0.2	5.6

Deferred Tax

The deferred tax liability relates to other timing differences.

The potential liability for deferred tax which has not been provided for is as follows:

	Accelerated capital allowances £m	Other timing differences £m	Total £m
At 3 January 1998	68.6	0.9	69.5
Current year movement	2.2	0.1	2.3
Prior year movement	(2.9)	(1.4)	(4.3)
At 2 January 1999	67.9	(0.4)	67.5

United Biscuits (UK) Limited

Notes to the accounts (continued)

14 Equity share capital

	1998 £m	1997 £m
Authorised - 12 million ordinary shares of £1 each	<u>12.0</u>	<u>12.0</u>
Allotted, called up and fully paid - 10 million ordinary shares of £1 each	<u>10.0</u>	<u>10.0</u>

15 Reconciliation of movements in shareholders' funds

	Called up equity share capital £m	Share premium £m	Profit and loss account £m	1998 Total £m	1997 Total £m
At 3 January 1998	10.0	321.6	55.4	387.0	399.3
Profit attributable to shareholders			15.6	15.6	(27.7)
Dividends	-	-	(40.0)	(40.0)	(40.0)
At 2 January 1999	10.0	321.6	31.0	362.6	387.0

16 Guarantees and contingent liabilities

	1998 £m	1997 £m
Joint and several guarantees in respect of borrowings by other Group companies:		
US\$300m revolving credit facility	<u>50.6</u>	<u>17.8</u>

United Biscuits (UK) Limited

Notes to the accounts (continued)

17 Directors' emoluments

	1998 £	1997 £
Emoluments	1,226,485	1,360,039
Company contributions paid to defined benefit pension scheme	202,939	198,346
	<u>1,429,424</u>	<u>1,558,385</u>

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

Emoluments	508,228	571,321
Company contributions paid to defined benefit pension scheme	94,270	91,944
	<u>602,498</u>	<u>663,265</u>

	1998 No.	1997 No.
Members of defined benefit pension scheme	4	4

The directors of the Company are also directors of fellow subsidiaries. The directors received total remuneration for the year of £1,429,424 (1997: £1,558,385). 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.

18 Directors' interests in the share capital of the ultimate holding company

	Ordinary Shares		Options			
	1998 No.	1997 No.	1998 No.	Granted No.	Lapsed No.	1997 No.
A.G. Clark	42,334	45,873	149,673	18,600	11,355	142,428
A.D. Frew	3,471	3,662	229,298	15,900	-	213,398
E.L. Nicoli	72,961	80,258	572,241	93,200	45,126	524,167
J.A. Warren	23,210	21,963	315,418	25,105	14,760	305,073

The options are exercisable at prices varying from 159p to 400p up to 19 April 2008.

Since the year end the beneficial shareholdings of A.G. Clark, A.D. Frew, and J.A. Warren have increased by 4,159, 9,140, and 13,194 ordinary shares respectively. Since the year end and prior to 30 April 1999 the beneficial shareholding of E.L.Nicoli increased by 22,333 ordinary shares.

United Biscuits (UK) Limited

Notes to the accounts (continued)

19 Pay and benefits to employees

	1998 £m	1997 £m
Gross wages and salaries, holidays and sick pay	175.9	182.0
Social security costs	13.5	13.9
Pension and other costs	13.1	10.6
	<u>202.5</u>	<u>206.5</u>

During the year the average number of employees was 11,258 (1997: 11,828).

Certain employees in the frozen and chilled businesses within the United Biscuits Group have service contracts with United Biscuits (UK) Limited. These costs have been recharged to UB Frozen & Chilled Foods Limited and the appropriate accounting disclosures have been made in those accounts.

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 the scheme was carried out by an independent qualified actuary during 1997.

The main actuarial assumptions were as follows:

Investment return per annum	8%
Wages and salaries increases per annum	6%
Pension increases per annum	4%

The stability of the age profile of scheme membership dictates the most appropriate method in valuing a scheme. The independent actuaries have advised that the projected unit method is the most appropriate method for valuing the main pension plan. The total market value of the scheme's assets, at the date of the last valuation, and its funding level as a percentage of accrued benefit liabilities, were £857m and 106% respectively. The scheme also covers those employees of UB Frozen & Chilled Foods Limited with service contracts with United Biscuits (UK) Limited.

At 2 January 1999 prepayments included an amount of £18.9m (1997: £17.2m) resulting from the difference between pension cost and the amounts funded.

United Biscuits (UK) Limited

Notes to the accounts (continued)

20 Financial commitments

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

	1998 £m	1997 £m
Contracted capital expenditure:	<u>5.8</u>	<u>5.9</u>

Rental commitments:

As at 2 January 1999 the Company had annual rental commitments in respect of operating leases as follows:

	1998		1997	
	Land and Buildings £m	Other £m	Land and Buildings £m	Other £m
Expiring - within one year	0.5	0.3	0.5	2.0
Within two to five years	0.7	0.3	1.6	4.1
Over five years	6.4	-	5.7	-
	<u>7.6</u>	<u>0.6</u>	<u>7.8</u>	<u>6.1</u>

21 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.