

GREENCORE UK HOLDINGS PLC

Directors' Report and Financial Statements

For the year ended 24 September 1999

Registered No: 2614349



Greencore UK Holdings Plc
Directors' Report and Financial Statements
For the year ended 24 September 1999

Contents	Page
Directors and Other Information	2
Directors' Report	3 - 4
Auditors' Report	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 - 11

Greencore UK Holdings Plc

Directors and Other Information

Directors

D W Armour
M B W Bruce
K C O'Sullivan
B J Power
D A Venus

Auditors

PricewaterhouseCoopers
George's Quay
Dublin 2

Secretary

D W Armour

Solicitors

Slaughter & May
35 Basinghall Street
London EC2V 5DB

Registered Office

42-46 High Street
Esher
Surrey KT10 9RT

Bankers

National Westminster Bank
PO Box No 34
15 Bishopsgate
London EC2P 2AP

Greencore UK Holdings Plc

Directors' Report For the year ended 24 September 1999

1. The directors present herewith the audited financial statements for the year ended 24 September 1999.

Change of Name

2. On the 17 February 1999, the company changed its name from Greencore Holdings (UK) Limited to Greencore UK Holdings Plc and was registered as a public limited company.

Principal Activity

3. The company is an investment holding company and also provides consultancy services to other group companies.

Results

4. The result for the year is set out in the profit and loss account on page 6.

Review of Business and Future Developments

5. The performance of the company for the year is in line with expectations. The company will continue to review acquisition opportunities in the coming year.

Directors

6. The directors of the company at 24 September 1999, all of whom served for the entire year were:-

D W Armour
M B W Bruce
K C O'Sullivan
B J Power
D A Venus

Directors' Interests in Shares of the Company

7. Neither the directors nor the company secretary had any beneficial interests, including family interests, in the share capital of the company during the year ended 24 September 1999.

Transactions Involving Directors

8. There were no contracts of significance in relation to the company or the group in which the directors had any interest, as defined in the Companies Act 1985, at any time during the year ended 24 September 1999.

Statement of Directors' Responsibilities

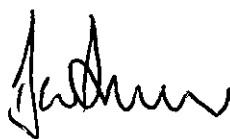
9. Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards;
- prepare the financial statements 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 enable them to ensure that the financial statements comply with the Companies Act, 1985. 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.

Auditors

10. A resolution to re-appoint the auditors, PricewaterhouseCoopers, will be proposed at the Annual General Meeting.



By Order of the Board

Douglas Armour) **Secretary**

19 January 2000
Esher, Surrey

**Auditors' Report to the Members of
Greencore UK Holdings Plc**

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 4, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 24 September 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

**Chartered Accountants
and Registered Auditors**

19 January 2000
Dublin

Greencore UK Holdings Plc

Profit and Loss Account For the year ended 24 September 1999

	Notes	1999 £	1998 £
Operating Income		2,345,339	39,716
Administration Expenses		(1,070,032)	(21,399)
Profit on Ordinary Activities before Interest		1,275,307	18,317
Interest Payable	2	(7,021,850)	(2,766,852)
(Loss) on Ordinary Activities before Taxation	3	(5,746,543)	(2,748,535)
Taxation Credit on Loss on Ordinary Activities	4	(1,324,000)	(744,000)
Loss absorbed for the year	11	<u>£(4,422,543)</u>	<u>£(2,004,535)</u>

All of the above amounts relate to continuing activities. The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented. There is no difference between the loss on ordinary activities before taxation and the loss absorbed for the year stated above, and their historical cost equivalents.

The notes on pages 8 to 11 form part of these financial statements
Auditors' report page 5.

Greencore UK Holdings Plc

Balance Sheet - 24 September 1999

	Notes	1999		1998	
		£	£	£	£
Fixed Assets					
Financial Assets	6	87,612,903		90,772,380	
Current Assets					
Debtors	7	<u>71,011,994</u>		<u>6,343,713</u>	
Current Liabilities					
Creditors (Amounts falling due within one year)	8	<u>(13,350,752)</u>		<u>(53,339,054)</u>	
Net Current Assets/(Liabilities)		<u>57,661,242</u>		<u>(46,995,341)</u>	
		145,274,145		43,777,039	
Creditors (Amounts falling due after one year)	9	<u>(128,201,930)</u>		<u>(23,400,000)</u>	
Net Assets		<u><u>£17,072,215</u></u>		<u><u>£20,377,039</u></u>	
Capital and Reserves					
Called Up Share Capital	10	1,626,651		508,932	
Share Premium		22,177,547		22,177,547	
Profit and Loss Account	11	<u>(6,731,983)</u>		<u>(2,309,440)</u>	
Shareholders' Funds - Equity Interests	12	<u><u>£17,072,215</u></u>		<u><u>£20,377,039</u></u>	

The financial statements set out on pages 6 to 11 were approved by the Board on 19 January 2000 and were signed on its behalf by:



(Kevin O'Sullivan) Director

The notes on pages 8 to 11 form part of these financial statements.
Auditors' report page 5.

Greencore UK Holdings Plc

Notes to the Financial Statements - 24 September 1999

1. Accounting Policies

Basis of Accounting

These financial statements are prepared under the historical cost accounting convention in accordance with applicable accounting standards in the United Kingdom.

Investments

Investments are stated at the lower of cost or directors' valuation.

2. Interest Payable

	1999 £	1998 £
Intergroup interest	5,936,068	1,175,584
On loans repayable within 5 years	1,085,782	1,591,268
	<u>£7,021,850</u>	<u>£2,766,852</u>

3. (Loss) on Ordinary Activities Before Taxation

(Loss) on ordinary activities before taxation is stated after charging:-

	1999 £	1998 £
Directors' emoluments	<u>£ -</u>	<u>£ -</u>
Auditors' remuneration	<u>£ -</u>	<u>£ -</u>

4. Taxation

	1999 £	1998 £
Group tax relief	<u>£1,324,000</u>	<u>£744,000</u>

5. Employee Information

The average number of persons employed by the company was:-

By Activity	1999 Number	1998 Number
Administration	<u>-</u>	<u>-</u>
Staff Costs for the Year were:-		
Salaries	<u>£ -</u>	<u>£ -</u>

6. Fixed Financial Assets

	1999 £	1998 £
Shares held in group undertakings	<u>£87,612,903</u>	<u>£90,772,380</u>

Fixed financial assets represents shares held in the following group undertakings:

Name of Subsidiary	Nature of Business	Percentage of Share Capital Owned	Registered Office
Armer Machinery Limited	Agricultural Machinery	100%	42-46 High Street, Esher Surrey, KT10 9RT
Clarendon Agricare Limited	Agrichemicals	100%	Unit 23, Seagoe Industrial Estate Portadown, Co Armagh, BTG3 5QD
J&J Peden Agencies Limited	Wholesalers	100%	Knockmore Industrial Estate Moira Road, Lisburn Co Antrim
Ryebrook Foods Limited	Food Distributors	100%	42-46 High Street, Esher Surrey, KT10 9RT
William McKinney (1975) Limited	Sugar Wholesalers	70%	Knockmore Industrial Estate Moira Road, Lisburn Co Antrim
Knockmore Limited	Property Management	51%	Knockmore Industrial Estate Moira Road, Lisburn Co Antrim
Greencore Newco Limited	Non-trading	100%	42-46 High Street, Esher Surrey, KT10 9RT
Odlum Group (UK) Limited	Non-trading	100%	42-46 High Street, Esher Surrey, KT10 9RT
Kear Family Limited	Bakers	100%	Claremont Yorkley, Gloucestershire GL15 5DX
Pauls Malt Limited	Maltsters	100%	PO Box 54, Kentford Newmarket, Suffolk CB8 7QU
Duntah Limited	Fertilisers	100%	89 Royal Avenue Belfast
Paramount Foods plc	Food Processors	75%	49 Parkway Deeside Industrial Park Deeside Flintshire CH5 2US

This company is exempt from preparing consolidated financial statements under the provisions of the Companies Act, 1985.

7. Debtors

	1999 £	1998 £
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	24,043,994	5,521,150
Value Added Tax	-	78,563
Corporation Tax	2,068,000	744,000
	<u>£26,111,994</u>	<u>£6,343,713</u>
Amounts falling due after one year:		
Amounts owed by subsidiary undertakings	<u>£44,900,000</u>	<u>£ -</u>

8. Creditors (Amounts falling due within one year)

	1999 £	1998 £
Value added tax	73,632	-
Amounts due to parent and fellow subsidiary undertaking	13,148,309	44,978,412
Loan notes	-	8,000,000
Bank overdraft	17,019	33,458
Other creditors	111,792	327,184
	<u>£13,350,752</u>	<u>£53,339,054</u>

9. Creditors (Amounts due after one year)

	1999 £	1998 £
Loan notes	4,000,000	-
Amounts due to fellow subsidiary undertakings	117,951,930	-
Bank loans repayable other than by instalment between two and five years	6,250,000	23,400,000
	<u>£128,201,930</u>	<u>£23,400,000</u>

10. Called Up Share Capital

	1999 £	1998 £
Authorised		
Ordinary shares of £1 each	<u>£10,000,000</u>	<u>£1,000,000</u>
Issued and Fully Paid		
Ordinary shares of £1 each	<u>£1,626,651</u>	<u>£508,932</u>

During the year, an ordinary resolution was passed to increase the Authorised Ordinary Share Capital from one million to ten million ordinary shares of £1 each. The company subsequently issued 1,117,719 additional ordinary shares of £1 each.

11. Profit and Loss Account

	1999	1998
	£	£
At beginning of year	(2,309,440)	(304,905)
Loss absorbed for the year	(4,422,543)	(2,004,535)
At end of year	<u>£(6,731,983)</u>	<u>£(2,309,440)</u>

12. Reconciliation of Movements in Shareholders' Funds

	1999	1998
	£	£
Opening shareholders' funds	20,377,039	21,981,574
Loss absorbed for financial year	(4,422,543)	(2,004,535)
Issue of new shares	1,117,719	400,000
Share premium	-	-
Closing shareholders' funds	<u>£17,072,215</u>	<u>£20,377,039</u>

13. Related Party Transactions

The company has availed of the exemption contained in Financial Reporting Standard No. 8, Paragraph 3, in respect of disclosure of related party transactions.

14. Holding Company

The company regards Greencore Group plc, a company incorporated in the Republic of Ireland, as its ultimate holding company. The largest and smallest group in which the results of the company are consolidated is that headed by Greencore Group plc. Copies of the group financial statements of Greencore Group plc are available at St Stephen's Green House, Earlsfort Terrace, Dublin 2, Republic of Ireland.

15. Reporting Currency

The currency used in these financial statements is the Pound Sterling denoted by the symbol £.