

**SIGNED  
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**Greencore UK Holdings plc**

**Directors' Report and Financial Statements**

**Year Ended 24 September 2004**

**Registered No: 3614349**



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## DIRECTORS AND OTHER INFORMATION

### Board of Directors

PT Kennedy  
CM Bergin  
B Barrett  
AM Hynes

### Solicitors

Slaughter & May  
35 Basinghall Street  
London EC2V 5DB

### Secretary and Registered Office

B Barrett  
Greencore Sandwiches  
Manton Wood Enterprise Park  
Worksop  
Nottinghamshire 280 2RS

### Bankers

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

### Auditors

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
George's Quay  
Dublin 2

## DIRECTORS' REPORT

The directors present herewith the audited financial statements for the year ended 24 September 2004.

### Principal activity

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

### Results

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

### Review of business and future developments

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

The directors of the company during the year were as follows:

PT Kennedy

CM Bergin

DW Armour (resigned 28 February 2005)

MBW Bruce (resigned 28 February 2005)

DA Venus (resigned 28 February 2005)

AM Hynes (appointed 28 February 2005)

B Barrett (appointed 28 February 2005)

### Directors' interests in shares of the company

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 2004.

DW Armour, MBW Bruce and DA Venus have no beneficial interests, including family interests, in the share capital of the ultimate parent company, Greencore Group plc. The other directors, with the exception of CM Bergin and B Barrett, are also directors of the parent company and their interests are disclosed in the annual report of that company.

CM Bergin is the company secretary of Greencore Group plc and her interests are also disclosed in the annual report of that company.

B Barrett held options over 10,538 shares in Greencore Group plc at 24 September 2004.

### Transactions involving directors

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 2004.

### Statement of directors' responsibilities

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.

**DIRECTORS' REPORT - continued**

**Auditors**

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

A handwritten signature in black ink, appearing to be 'C. W. S.', written in a cursive style.

**On behalf of the board**

26 May 2005

**PricewaterhouseCoopers**

George's Quay

Dublin 2

Telephone +353 (0) 1 678 9999

Facsimile +353 (0) 1 704 8600

I.D.E. Box No. 1283

Internet [www.pwc.com/ie](http://www.pwc.com/ie)**Independent auditors' report to the members of Greencore UK Holdings plc**

We have audited the financial statements on pages 6 to 13.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

**Basis of audit 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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



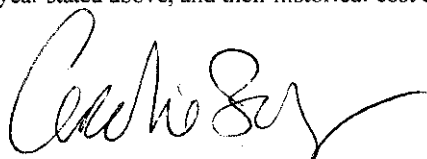
**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Dublin**

**26 May 2005**

**PROFIT AND LOSS ACCOUNT**  
**Year Ended 24 September 2004**

	Notes	2004 Stg£	2003 Stg£
<b>Operating income</b>		31,224,237	9,989,717
Administration expenses		<u>(6,328,052)</u>	<u>(7,214,910)</u>
<b>Operating profit</b>		24,896,185	2,774,807
Exceptional item	2	<u>(26,700,691)</u>	<u>-</u>
<b>Profit/(loss) on ordinary activities before interest</b>		(1,804,506)	2,774,807
Interest payable	3	(18,682,584)	(28,129,293)
Amortisation of issue costs of finance facility		<u>(4,026,403)</u>	<u>(3,384,341)</u>
<b>Loss on ordinary activities before taxation</b>	4	(24,513,493)	(28,738,827)
Taxation credit on loss on ordinary activities	5	<u>1,099,385</u>	<u>12,753,613</u>
<b>Loss absorbed for the year</b>	13	<u>(23,414,108)</u>	<u>(15,985,214)</u>

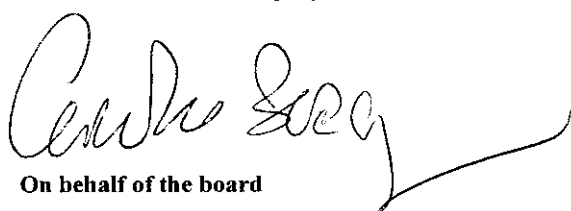
All of the above amounts relate to continuing activities. The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented. There is no difference between the loss on ordinary activities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



On behalf of the board

BALANCE SHEET  
24 September 2004

	Notes	2004 Stg£	2003 Stg£
<b>Fixed assets</b>			
Financial assets	6	369,877,240	396,477,931
<b>Current assets</b>			
Debtors	7	142,540,018	122,053,284
Bank balance		<u>38,500,000</u>	<u>46,062,750</u>
		181,040,018	168,116,034
<b>Current liabilities</b>			
<b>Creditors</b>			
- amounts falling due within one year	9	<u>(212,532,231)</u>	<u>(88,146,487)</u>
<b>Net current assets</b>		<u>(31,492,213)</u>	<u>79,969,547</u>
<b>Total assets less current liabilities</b>		338,385,027	476,447,478
<b>Creditors</b>			
- amounts falling due after one year	10	<u>(356,933,343)</u>	<u>(471,581,686)</u>
<b>Net (liabilities)/assets</b>		<u>(18,548,316)</u>	<u>4,865,792</u>
<b>Capital and reserves</b>			
Called up share capital	11	2,885,977	2,885,977
Share premium	12	62,375,208	62,375,208
Profit and loss account	13	<u>(83,809,501)</u>	<u>(60,395,393)</u>
<b>Shareholders' funds - equity interests</b>	14	<u>(18,548,316)</u>	<u>4,865,792</u>



On behalf of the board



## NOTES TO THE FINANCIAL STATEMENTS

**1 Accounting policies**

The significant accounting policies adopted by the company are as follows:

**Basis of preparation**

The financial statements have been prepared in accordance with accounting standards generally accepted in the United Kingdom and United Kingdom statute comprising the Companies Acts, 1985. Accounting standards generally accepted in the United Kingdom in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in England and Wales and issued by the Accounting Standards Board.

**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 Exceptional item**

The exceptional item relates to the write-down of the company's investment in the Kears Group. The trading activities of this group were disposed of during 2004.

**3 Interest payable**

	2004 Stg£	2003 Stg£
Intergroup interest	15,241,240	22,648,329
On loans repayable within 5 years	<u>3,441,344</u>	<u>5,480,964</u>
	<u>18,682,584</u>	<u>28,129,293</u>

**4 Loss on ordinary activities before taxation**

	2004 Stg£	2003 Stg£
Loss on ordinary activities before taxation is stated after charging:		
Directors' emoluments	-	-
Auditors' remuneration	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

5 Taxation credit	2004	2003
	Stg£	Stg£
<i>Current tax</i>		
UK corporation tax at 30% (2003: 30%) on profits for the year	6,191,682	6,464,423
Adjustments in respect of prior years	<u>965,285</u>	<u>231,608</u>
	7,156,967	6,696,031
<i>Deferred tax</i>		
Origination and reversal of timing differences	<u>(6,057,582)</u>	<u>6,057,582</u>
	<u>(6,057,582)</u>	<u>6,057,582</u>
Tax credit on losses from ordinary activities	<u>1,099,385</u>	<u>12,753,613</u>

The effective rate of tax for the year is greater than the standard rate of corporation tax in the UK of 30%. The differences are explained below.

	2004 Stg£	2003 Stg£
Loss on ordinary activities before taxation	<u>(24,513,493)</u>	<u>(28,738,827)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	7,354,048	8,621,648
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(8,040,766)	(21,706)
Non-taxable UK dividends	6,698,400	8,400
Other timing differences	180,000	(2,143,919)
Losses created in the year	-	-
Adjustments in respect of prior years	<u>965,285</u>	<u>231,608</u>
Current tax credit for the year	<u>7,156,967</u>	<u>6,696,031</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

6 Fixed financial assets	2004 Stg£	2003 Stg£
Shares held in group undertakings	<u>369,877,240</u>	<u>396,477,931</u>

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

Name of subsidiary	Nature of business	Percentage of share capital owned	Registered Office
Armer Machinery Limited	Non-trading	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	Non-trading	100%	Knockmore Industrial Estate, Moira Road, Lisburn, Co Antrim
Ryebrook Foods Limited	Non-trading	100%	42-46 High Street, Esher, Surrey KT109 RT
William McKinney (1975) Limited	Sugar wholesalers	70%	Knockmore Industrial Estate, Moira Road, Lisburn, Co Antrim
Knockmore Limited	Non-trading	100%	Knockmore Industrial Estate, Moira Road, Lisburn, Co Antrim
Greencore Sugars 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 Group Limited	Holding company	100%	Claremont, Yorkley, Gloucestershire GL15 5DX
Pauls Malt Limited	Maltsters	100%	PO Box 54, Kentford, Newmarket, Suffolk CB8 7QU
Duntah Limited	Non-trading	100%	89 Royal Avenue Belfast
Paramount Foods plc	Food processors	100%	49 Parkway, Deesite Industrial Park, Deeside, Flintshire CH5 2US
Sugar Distributors (Holdings) Limited	Holding company	100%	Athy Road, Carlow
The Robert's Group Limited	Food processors	100%	Midland Road, Hunslet, Leeds, LS10 2RJ
Hazlewood Foods Limited	Food processors	100%	Hampton Court. Manor Park, Runcorn, Cheshire WAT 1TT
Kears Family Ltd	Non-trading	97%	Manton Enterprise Zone Workshop Nottinghamshire 580 2RS
Kears Executives Ltd	Non-trading	100%	Manton Enterprise Zone Workshop Nottinghamshire 580 2RS

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

## NOTES TO THE FINANCIAL STATEMENTS - continued

<b>7 Debtors</b>	<b>2004 Stg£</b>	<b>2003 Stg£</b>
<i>Amounts falling due within one year:</i>		
Amounts owed by subsidiary undertakings	87,844,493	57,720,620
Other debtors	185,945	181,102
Corporation tax – group relief receivable	13,432,478	6,464,423
Deferred tax asset (note 8)	-	6,057,582
	<u>101,462,916</u>	<u>70,423,727</u>
<i>Amounts falling due after one year:</i>		
Amounts owed by subsidiary undertakings	<u>41,077,102</u>	<u>51,629,557</u>
<b>8 Deferred tax asset</b>	<b>2004 Stg£</b>	<b>2003 Stg£</b>
Deferred tax asset at beginning of year	6,057,582	-
Credit for the year	<u>(6,057,532)</u>	<u>6,057,582</u>
	<u>-</u>	<u>6,057,582</u>
An analysis of the asset is set out below:		
Other timing differences	<u>-</u>	<u>6,057,582</u>
Deferred tax asset	<u>-</u>	<u>6,057,582</u>
<b>9 Creditors - amounts falling due within one year</b>	<b>2004 Stg£</b>	<b>2003 Stg£</b>
Bank overdraft	11,971,764	-
Value added tax	720,927	739,001
Amounts due to parent and fellow subsidiary undertaking	196,271,624	82,520,270
Amounts due to associate undertaking	-	533,334
Other creditors	<u>3,567,916</u>	<u>4,353,882</u>
	<u>212,532,231</u>	<u>88,146,487</u>
<b>10 Creditors - amounts falling due after one year</b>	<b>2004 Stg£</b>	<b>2003 Stg£</b>
Deeds of payments	100,000	-
Loan notes	7,029,690	7,029,690
Amounts due to fellow subsidiary undertakings	<u>349,803,653</u>	<u>464,551,996</u>
	<u>356,933,343</u>	<u>471,581,686</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

<b>11 Called up share capital</b>	2004 Stg£	2003 Stg£
<b>Authorised:</b>		
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
<b>Issued and fully paid:</b>		
Ordinary shares of £1 each	<u>2,885,977</u>	<u>2,885,977</u>
<b>12 Share premium account</b>	2004 Stg£	2003 Stg£
At 26 September 2003	62,375,208	62,375,208
Premium on issue of shares during the year	<u>-</u>	<u>-</u>
At 24 September 2004	<u>62,375,208</u>	<u>62,375,208</u>
<b>13 Profit and loss account</b>	2004 Stg£	2003 Stg£
At beginning of year	(60,395,393)	(44,410,179)
Loss absorbed for the year	<u>(23,414,108)</u>	<u>(15,985,214)</u>
At end of year	<u>(83,809,501)</u>	<u>60,395,393</u>
<b>14 Reconciliation of movements in shareholders' funds</b>	2004 Stg£	2003 Stg£
Opening shareholders' funds	4,865,792	20,851,006
Loss absorbed for financial year	(23,414,108)	(15,985,214)
Issue of new shares	-	-
Share premium	<u>-</u>	<u>-</u>
Closing shareholders' funds	<u>(18,548,316)</u>	<u>4,865,792</u>

**15 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**16 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.

**17 Reporting currency**

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

**18 Approval of financial statements**

The financial statements were approved by the board of directors on 26 May 2005.