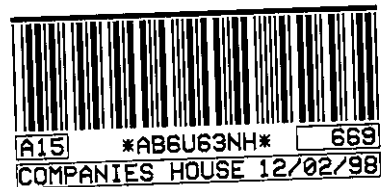


GREENCORE HOLDINGS (UK) LIMITED

Directors' Report and Financial Statements

For the Year Ended 26 September 1997

Registered No: 2614349



Greencore Holdings (UK) Limited
Directors' Report and Financial Statements
For the Year Ended 26 September 1997

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Greencore Holdings (UK) Limited

Directors and Other Information

Directors

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

Auditors

Coopers & Lybrand
George's Quay
Dublin 2

Secretary

D W Armour

Solicitors

Slaughter & May
35 Basinghall Street
London EC2V 5DB

Registered Office

32a High Street
Esher
Surrey KT10 9RT

Bankers

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

Greencore Holdings (UK) Limited

Directors' Report For the Year Ended 26 September 1997

The directors present herewith the audited financial statements for the year ended 26 September 1997.

Principal Activity

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

Results

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

Review of Business and Future Developments

4. 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

5. The directors of the company at 26 September 1997, all of whom served for the entire year were:-

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

Directors' Interests in Shares of the Company

6. 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 26 September 1997.

Transactions Involving Directors

7. 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 26 September 1997.

Statement of Directors' Responsibilities

8. 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:

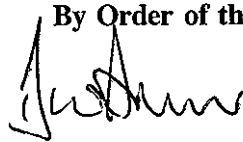
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards;
- prepare the financial statements on the going concern basis unless it is inappropriate 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

9. A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting.

By Order of the Board



) Secretary

Esher, Surrey

3 FEBRUARY 1998

Auditors' Report to the Members of

Greencore Holdings (UK) Limited

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 26 September 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants
and Registered Auditors

3 February 1998
Dublin

Greencore Holdings (UK) Limited

Profit and Loss Account For the Year Ended 26 September 1997

	Notes	Year Ended 26 September 1997 £	Year Ended 27 September 1996 £
Operating Income		56,841	18,000
Administration Expenses		<u>(22,755)</u>	<u>(21,940)</u>
Profit/(Loss) on Ordinary Activities Before Interest		34,086	(3,940)
Interest Payable	2	<u>(356,393)</u>	<u>-</u>
Loss on Ordinary Activities Before Taxation	3	(322,307)	(3,940)
Taxation on Loss on Ordinary Activities		<u>-</u>	<u>-</u>
Loss Absorbed for the Year	9	<u><u>£(322,307)</u></u>	<u><u>£(3,940)</u></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.

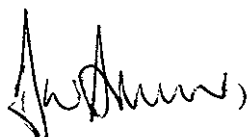
The notes on pages 8 to 11 form part of these financial statements
Auditors' report page 5.

Greencore Holdings (UK) Limited

Balance Sheet - 26 September 1997

	Notes	1997		1996	
		£	£	£	£
Fixed Assets					
Financial Assets	5		47,829,643		103,003
Current Assets					
Bank			26,730		-
Debtors	6		21,150		30,652
			<u>47,880</u>		<u>30,652</u>
Current Liabilities					
Creditors (Amounts falling due within one year)	7		<u>(25,895,949)</u>		<u>(13,248)</u>
Net Current (Liabilities)/Assets			<u>(25,848,069)</u>		<u>17,404</u>
Net Assets			<u><u>£21,981,574</u></u>		<u><u>£120,407</u></u>
Capital and Reserves					
Called Up Share Capital	8		108,932		103,005
Share Premium			22,177,547		-
Profit and Loss Account	9		<u>(304,905)</u>		<u>17,402</u>
Shareholders' Funds - Equity Interests	10		<u><u>£21,981,574</u></u>		<u><u>£120,407</u></u>

The financial statements set out on pages 6 to 11 were approved by the Board on 3 FEBRUARY 1998 and were signed on its behalf by:



Director

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

Greencore Holdings (UK) Limited

Notes to the Financial Statements - 26 September 1997

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	Year Ended 26 September 1997 £	Year Ended 27 September 1996 £
	Intergroup interest	240,172	-
	On loans repayable within 5 years	116,221	-
		<u>£356,393</u>	<u>£ -</u>

3. Profit/(Loss) on Ordinary Activities Before Taxation

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

	Year Ended 26 September 1997 £	Year Ended 27 September 1996 £
Directors' emoluments	<u>£ -</u>	<u>£ -</u>
Auditors' remuneration	<u>£ -</u>	<u>£ -</u>

4. Employee Information

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

By Activity	Year Ended 26 September 1997 Number	Year Ended 27 September 1996 Number
Administration	<u>-</u>	<u>-</u>
Staff Costs for the Year were:-		
Salaries	<u>£ -</u>	<u>£ -</u>

5. Fixed Financial Assets	26 September 1997 £	27 September 1996 £
Shares held in group undertakings	<u>£47,829,643</u>	<u>£103,003</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%	32a High Street, Esher Surrey, KT10 9RT
J&J Peden Agencies Limited	Wholesalers	100%	Knockmore Industrial Estate Moir Road, Lisburn Co Antrim
Ryebrook Foods Limited	Food Distributors	100%	32a High Street, Esher Surrey, KT10 9RT
William McKinney (1975) Limited	Sugar Wholesalers	70%	Knockmore Industrial Estate Moir Road, Lisburn Co Antrim
Knockmore Limited	Property Management	51%	Knockmore Industrial Estate Moir Road, Lisburn Co Antrim
Greencore Newco Limited	Non-trading	100%	32a High Street, Esher Surrey, KT10 9RT
Odum Group (UK) Limited	Non-trading	50%	32a High Street, Esher Surrey, KT10 9RT
Kears Group Limited	Bakers	75.625%	Claremont Yorkley, Gloucestershire GL15 5DX

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

6.	Debtors	26 September 1997	27 September 1996
		£	£
	Amounts falling due within one year:		
	Amounts owed by subsidiary undertakings	<u>£21,150</u>	<u>£30,652</u>

7.	Creditors (Amounts falling due within one year)	26 September 1997	27 September 1996
		£	£
	Amounts due to parent and fellow subsidiary undertakings	15,315,975	-
	Loan notes	10,000,000	-
	Bank overdraft	-	3,627
	Other Creditors	<u>579,974</u>	<u>9,621</u>
		<u>£25,895,949</u>	<u>£13,248</u>

8.	Called Up Share Capital	26 September 1997	27 September 1996
		£	£
	Authorised		
	Ordinary shares of £1 each	<u>£1,000,000</u>	<u>£1,000,000</u>
	Issued and Fully Paid		
	Ordinary shares of £1 each	<u>£108,932</u>	<u>£103,005</u>

During the year, the company issued 5,927 additional ordinary shares of £1 each in consideration for the acquisition of shares in subsidiary undertakings.

9.	Profit and Loss Account	Year Ended 26 September 1997	Year Ended 27 September 1996
		£	£
	At beginning of year	17,402	21,342
	Loss absorbed for the year	<u>(322,307)</u>	<u>(3,940)</u>
	At end of year	<u>£(304,905)</u>	<u>£17,402</u>

10. **Reconciliation of Movements in Shareholders' Funds**

	26 September 1997 £	27 September 1996 £
Opening shareholders' funds	120,407	85,346
Loss absorbed for financial year	(322,307)	(3,940)
Issue of new shares	5,927	39,001
Share premium	22,177,547	-
Closing shareholders' funds	<u>£21,981,574</u>	<u>£120,407</u>

11. **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.

12. **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.

13. **Reporting Currency**

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