

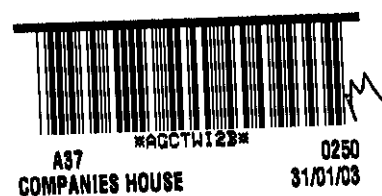
cos
Hoe

Corinth Meat Limited

FINANCIAL STATEMENTS

for the period ended

30 March 2002



Company Registration Number 3117717

Corinth Meat Limited

FINANCIAL STATEMENTS

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report to the shareholders	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7
The following pages do not form part of the financial statements	
Detailed profit and loss account	14
Notes to the detailed profit and loss account	15

Corinth Meat Limited
OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

B Stacey
P G Warburton
B R P Greaney

COMPANY SECRETARY

I D Woods

REGISTERED OFFICE

Talgarrek House
Victoria Business Park
Roche
St Austell
Cornwall
PL26 8LX

AUDITORS

Baker Tilly
Chartered Accountants
& Registered Auditors
33 Wine Street
Bristol
BS1 2BQ

Corinth Meat Limited

THE DIRECTORS' REPORT

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 April 2001 to 30 March 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of the processing of livestock and meat wholesaling.

RESULTS AND DIVIDENDS

The trading results for the period, and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have recommended the following dividends:

	Period from 1 April 2001 to 30 March 2002	Period from 26 March 2000 to 31 March 2001
	£	£
Proposed dividends on ordinary shares	<u>2,000,000</u>	<u>—</u>

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the period were as follows:

T Johnson
B Stacey
P G Warburton
B R P Greaney

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

T Johnson retired as a director on 31 July 2002.

AUDITORS

A resolution to re-appoint Baker Tilly as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Talgarrek House
Victoria Business Park
Roche
St Austell
Cornwall
PL26 8LX

Signed by order of the directors



I D Woods
Company Secretary

Approved by the directors on 30/1/03

Corinth Meat Limited

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 at the end of the period and of the profit or loss for the period then ended.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies, as described on page 7, and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent; and
- c. 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CORINTH MEAT LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. 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 directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 as at 30 March 2002 and of the profit of the company for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly

Registered Auditor
Chartered Accountants
33 Wine Street
Bristol
BS1 2BQ

20.11.03

Corinth Meat Limited
PROFIT AND LOSS ACCOUNT
period from 1 April 2001 to 30 March 2002

		Period from 1 Apr 01 to 30 Mar 02 £	Period from 26 Mar 00 to 31 Mar 01 £
	<i>Notes</i>		
TURNOVER	2	7,385,478	12,053,664
Cost of sales		(6,339,001)	(10,507,055)
GROSS PROFIT		1,046,477	1,546,609
Distribution costs		(94,365)	(125,267)
Administrative expenses		(167,571)	(164,823)
OPERATING PROFIT	3	784,541	1,256,519
Interest receivable		145,389	234,632
Interest payable	6	(260)	(306)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		929,670	1,490,845
Tax on profit on ordinary activities	7	(246,155)	(456,000)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		683,515	1,034,845
Dividends	8	(2,000,000)	—
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL PERIOD		(1,316,485)	1,034,845

The company has no recognised gains or losses other than the results for the period as set out above.

All of the activities of the company are classed as continuing.

Corinth Meat Limited

BALANCE SHEET

30 March 2002

	Notes	£	30 Mar 02 £	£	31 Mar 01 £
FIXED ASSETS					
Tangible assets	9		—		64
CURRENT ASSETS					
Stocks	10	—		20,924	
Debtors	11	992,134		2,818,925	
Cash at bank and in hand		2,287,916		2,220,523	
		<u>3,280,050</u>		<u>5,060,372</u>	
CREDITORS: amounts falling due within one year	12	1,063,763		1,527,664	
NET CURRENT ASSETS			<u>2,216,287</u>		<u>3,532,708</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,216,287</u>		<u>3,532,772</u>
CAPITAL AND RESERVES					
Called-up equity share capital	15		1		1
Profit and loss account	16		2,216,286		3,532,771
SHAREHOLDERS' FUNDS	17		<u>2,216,287</u>		<u>3,532,772</u>

These financial statements were approved by the directors on the 30/1/03 and are signed on their behalf by:

Director



Corinth Meat Limited

NOTES TO THE FINANCIAL STATEMENTS

period from 1 April 2001 to 30 March 2002

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced in the United Kingdom during the period.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 20% straight line

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Corinth Meat Limited

NOTES TO THE FINANCIAL STATEMENTS

period from 1 April 2001 to 30 March 2002

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Period from 1 Apr 01 to 30 Mar 02 £	Period from 26 Mar 00 to 31 Mar 01 £
United Kingdom	<u>7,385,478</u>	<u>12,053,664</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	Period from 1 Apr 01 to 30 Mar 02 £	Period from 26 Mar 00 to 31 Mar 01 £
Depreciation	64	1,993
Auditors' remuneration		
- as auditors	5,005	4,995
Operating lease costs:		
Vehicles	9,948	10,911
Net loss on foreign currency translation	<u>4,897</u>	<u>2,899</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to:

	Period from 1 Apr 01 to 30 Mar 02 No.	Period from 26 Mar 00 to 31 Mar 01 No.
Number of management staff	<u>2</u>	<u>2</u>

The aggregate payroll costs of the above were:

	Period from 1 Apr 01 to 30 Mar 02 £	Period from 26 Mar 00 to 31 Mar 01 £
Wages and salaries	100,072	76,823
Social security costs	8,184	8,210
Other pension costs	-	15,000
	<u>108,256</u>	<u>100,033</u>

Corinth Meat Limited

NOTES TO THE FINANCIAL STATEMENTS

period from 1 April 2001 to 30 March 2002

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Period from 1 Apr 01 to 30 Mar 02 £	Period from 26 Mar 00 to 31 Mar 01 £
Emoluments receivable	<u>79,844</u>	<u>76,041</u>

6. INTEREST PAYABLE

	Period from 1 Apr 01 to 30 Mar 02 £	Period from 26 Mar 00 to 31 Mar 01 £
Interest payable on bank borrowing	<u>260</u>	<u>306</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Taxation

	Period from 1 Apr 01 to 30 Mar 02 £	Period from 26 Mar 00 to 31 Mar 01 £
Current tax:		
UK Corporation tax based on the results for the period at 30% (2001 - 30%)	284,888	456,000
Over/under provision in prior year	<u>(38,733)</u>	<u>-</u>
Total current tax	<u>246,155</u>	<u>456,000</u>
Tax on profit on ordinary activities	<u>246,155</u>	<u>456,000</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is the same as the standard rate of corporation tax in the UK of 30% (2001 - 30%).

	Period from 1 Apr 01 to 30 Mar 02 £	Period from 26 Mar 00 to 31 Mar 01 £
Profit on ordinary activities before taxation	<u>929,670</u>	<u>1,490,845</u>

Corinth Meat Limited

NOTES TO THE FINANCIAL STATEMENTS

period from 1 April 2001 to 30 March 2002

8. DIVIDENDS

The following dividends have been proposed in respect of the period:

	Period from 1 Apr 01 to 30 Mar 02 £	Period from 26 Mar 00 to 31 Mar 01 £
Proposed dividend on ordinary shares	<u>2,000,000</u>	<u>—</u>

9. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
Cost	
At 1 April 2001 and 30 March 2002	<u>13,280</u>
Depreciation	
At 1 April 2001	13,216
Charge for the period	64
At 30 March 2002	<u>13,280</u>
Net book value	
At 30 March 2002	<u>—</u>
At 31 March 2001	<u>64</u>

10. STOCKS

	30 Mar 02 £	31 Mar 01 £
Finished goods	<u>—</u>	<u>20,924</u>

11. DEBTORS

	30 Mar 02 £	31 Mar 01 £
Trade debtors	445,646	460,675
Amounts owed by group undertakings	532,676	2,353,060
Other debtors	1,285	—
Directors current accounts	10,000	—
Prepayments and accrued income	2,527	5,190
	<u>992,134</u>	<u>2,818,925</u>

The above director's account relates to B R P Greaney, the maximum balance outstanding during the year was £10,000 and this balance was cleared in September 2002.

Corinth Meat Limited

NOTES TO THE FINANCIAL STATEMENTS

period from 1 April 2001 to 30 March 2002

12. CREDITORS: amounts falling due within one year

	30 Mar 02	31 Mar 01
	£	£
Trade creditors	296,174	606,529
Amounts owed to group undertakings	—	59,190
Other creditors including taxation and social security:		
Taxation and social security	735,529	816,675
Accruals and deferred income	32,060	45,270
	<u>1,063,763</u>	<u>1,527,664</u>

13. OTHER FINANCIAL COMMITMENTS

The company is party with its holding company and fellow subsidiaries to cross guarantees in respect of bank and other borrowings.

14. RELATED PARTY TRANSACTIONS

The ultimate controlling party is Mr T Johnson by virtue of his shareholding in the parent company.

The company and its fellow subsidiaries are taking advantage of the exemption included in Financial Reporting Standard 8, not to disclose transactions between group companies.

15. SHARE CAPITAL

Authorised share capital:

	30 Mar 02	31 Mar 01
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
	30 Mar 02	31 Mar 01
	£	£
Ordinary share capital	<u>1</u>	<u>1</u>

16. PROFIT AND LOSS ACCOUNT

	Period from 1 Apr 01 to 30 Mar 02	Period from 26 Mar 00 to 31 Mar 01
	£	£
Balance brought forward	3,532,771	2,497,926
(Accumulated loss)/retained profit for the financial period	(1,316,485)	1,034,845
Balance carried forward	<u>2,216,286</u>	<u>3,532,771</u>

Corinth Meat Limited

NOTES TO THE FINANCIAL STATEMENTS

period from 1 April 2001 to 30 March 2002

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 Mar 02	31 Mar 01
	£	£
Profit for the financial period	683,515	1,034,845
Dividends	(2,000,000)	—
	(1,316,485)	1,034,845
Opening shareholders' equity funds	3,532,772	2,497,927
Closing shareholders' equity funds	<u>2,216,287</u>	<u>3,532,772</u>

18. ULTIMATE PARENT COMPANY

Corinth Meat Limited is a wholly owned subsidiary of St Merryn Meat Limited, a company registered in England and Wales.