

15262

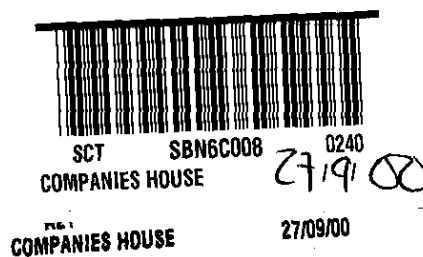
McCormick (UK) Limited

(formerly McCormick (UK) Plc)

Report and Accounts

27 November

Registered 1



DIRECTORS

J C Molan (Chairman)
W Sinclair
J M Morrisroe
M Navarre
P S Reath
M Smith
G M Jackson (Resigned 31 January 2000)
S Moore (Appointed 8 August 2000)

SECRETARY

S Moore (Appointed 8 August 2000)
J M Morrisroe (Resigned 8 August 2000)

AUDITORS

Ernst & Young
Apex Plaza
Reading
RG1 1YE

BANKERS

Bank of America NT & SA
PO Box 100
26 Elmfield Road
Bromley
Kent BR1 1WA

National Westminster Bank PLC
PO Box 17
33 High Street
High Wycombe
Bucks HP11 2AJ

The Royal Bank of Scotland plc
30 Bothwell Street
Glasgow G2 6PB

SOLICITORS

Beachcroft Stanleys
20 Fumival Street
London EC4A 1BW

Baker & McKenzie
100 New Bridge Street
London
EC4V 6VA

REGISTRARS

The Royal Bank of Scotland plc
Owen House
8 Bankhand
Crossway North
Edinburgh EH11 4BR

REGISTERED OFFICE

Owen House
8 Bankhand
Crossway North
Edinburgh EH11 4BR

DIRECTORS' REPORT

The directors present their report and the group accounts for the year ended 27 November 1999.

RESULTS AND DIVIDENDS

The profit after taxation for the year amounted to £3,334,000 (1998: £4,726,000).

An interim ordinary dividend of £10,000,000 was paid in the year (1998: £10,000,000). The directors do not recommend a final dividend. After exchange differences on retranslation of net assets and results of subsidiary undertakings of £207,000 (1998: £222,000), the accumulated retained profit carried forward is £3,853,000 (1998: £10,726,000).

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The group's principal activities during the year continued to be the manufacturing and packing of food products and the marketing, selling and distribution of these and other products to grocery, catering and other outlets.

The operating results for the year ended 27 November 1999 were satisfactory, and the future outlook for the business remains promising.

CHANGE OF NAME

Since the year end the company has changed its' name from McCormick (UK) Plc to McCormick (UK) Limited.

RESEARCH AND DEVELOPMENT

Group policy is to invest in product innovation and process improvement at a level designed to enable it to be a market leader in the business in which it competes. It is also group policy to seek out new business opportunities by exploiting its skills and technological base.

EMPLOYEE INVOLVEMENT

The group has continued its policy of providing employees with information on matters of concern to them as employees and has consulted them or their representatives on a regular basis. This has been carried out by divisional management at the group's various locations and by way of group meetings, information bulletins and conferences. Employees participate directly in the success of the business through the group's profit sharing and share option schemes.

DISABLED EMPLOYEES

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever applicable.

CHARITABLE CONTRIBUTIONS

The group has made gifts for charitable purposes amounting to £9,721 (1998: £3,181) to local charities serving the needs of the community

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

W Sinclair
J C Molan (Chairman)
P S Reath
M Smith
G M Jackson
M A C Beard (resigned 12 July 1999)
J M Morrisroe
M Navarre

There are no directors' interests requiring disclosure under the Companies Act 1985.

CREDITOR PAYMENT POLICY AND PRACTICE

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

At 27 November 1999, the company had an average of 45 days purchases outstanding in trade creditors.

YEAR 2000 COMPLIANCE

As is well known, many computer and digital storage systems expressed dates using only the last two digits of the year and this required modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This was a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our supplier and customers.

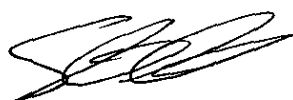
A company-wide programme, designed to address the impact of the Year 2000 on our business, was undertaken. This programme was completed prior to the end of 1999, and in advance of the most critical dates identified by government and other advisory bodies. Its costs have been fully incorporated into the group's accounts.

At the date of this report, the group has suffered no material impact traceable to any date problem in any computer system. Although there can be no guarantee that such a problem will not arise in the future, the management of the group now considers this risk to be no more significant than that associated with many aspects of normal trading.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



Director

14/09/00

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 group and to enable them to ensure that the accounts 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' REPORT TO THE SHAREHOLDERS OF
McCormick (UK) PLC**

We have audited the accounts on pages 8 to 26 which have been prepared under the historical cost convention and the accounting policies set out on pages 12 and 13.

Respective responsibilities of directors and auditors

As described on page 6 the company's directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 and of the group as at 27 November 1999 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditor
Reading

25 September 2000

McCormick (UK) Limited (formerly McCormick (UK) Plc)

PROFIT AND LOSS ACCOUNT for the year ended 27 November 1999

	Notes	1999 £'000	1998 £'000
TURNOVER			
Turnover: group and share of joint venture's turnover		199,953	193,586
Less: share of joint venture's turnover		(913)	(559)
GROUP TURNOVER	2	199,040	193,027
Cost of sales		167,538	164,808
GROSS PROFIT		31,502	28,219
Distribution costs		6,457	6,469
Administrative expenses		8,454	8,935
Research and development expenditure		1,174	1,362
Exceptional items	6	6,270	1,097
		22,355	17,863
GROUP OPERATING PROFIT		9,147	10,356
Share of operating (loss)/profit in joint venture		(24)	55
TOTAL OPERATING PROFIT: group and share of joint venture	3	9,123	10,411
Other income	7	56	73
Interest payable	8	(3,427)	(3,139)
		(3,371)	(3,066)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,752	7,345
Tax (charge)/credit on profit on ordinary activities	9	(2,418)	2,619
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,334	4,726
DIVIDENDS PAYABLE			
Ordinary dividends on equity shares	11	(10,000)	(10,000)
(LOSS) FOR THE YEAR	22	(6,666)	(5,274)

McCormick (UK) Limited (formerly McCormick (UK) Plc)

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 27 November 1999

	<i>1999</i> <i>£'000</i>	<i>1998</i> <i>£'000</i>
Profit for the year	3,334	4,726
Exchange differences	(207)	(222)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>3,127</u>	<u>4,504</u>

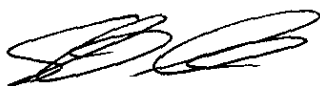
McCormick (UK) Limited (formerly McCormick (UK) Plc)

GROUP BALANCE SHEET

at 27 November 1999

	Notes	£'000	1999 £'000	1998 £'000
FIXED ASSETS				
Intangible assets	12		19,961	21,436
Tangible assets	13		28,339	30,407
Investments	14			
Investments in joint venture:				
Share of gross assets		1,145		656
Share of gross liabilities		(1,132)		(488)
			13	168
			48,313	52,011
CURRENT ASSETS				
Stocks	15	19,703		25,356
Debtors	16	34,908		32,254
Cash at bank and in hand		6,929		2,078
		61,540		59,688
CREDITORS: amounts falling due within one year	17	(51,990)		46,866
NET CURRENT ASSETS			9,550	12,822
TOTAL ASSETS LESS CURRENT LIABILITIES			57,863	64,833
CREDITORS: amounts falling due after more than one year	18		25,000	25,000
PROVISIONS FOR LIABILITIES AND CHARGES	19		-	97
			25,000	25,097
			32,863	39,736
CAPITAL AND RESERVES				
Called up share capital	20		29,010	29,010
Profit and loss account	21		3,853	10,726
			32,863	39,736

Director


14/09/00

McCormick (UK) Limited (formerly McCormick (UK) Plc)

COMPANY BALANCE SHEET

at 27 November 1999

	Notes	1999 £'000	1998 £'000
FIXED ASSETS			
Intangible assets	12	7,490	8,105
Tangible assets	13	27,811	29,129
Investments	14	19,943	19,943
		<u>55,244</u>	<u>57,177</u>
CURRENT ASSETS			
Stock	15	17,267	21,879
Debtors	16	30,955	29,356
Cash at bank and in hand		6,117	351
		<u>54,339</u>	<u>51,586</u>
CREDITORS: amounts falling due within one year	17	<u>49,881</u>	<u>41,933</u>
NET CURRENT ASSETS		<u>4,458</u>	<u>9,653</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>59,702</u>	<u>66,830</u>
CREDITORS: amounts falling due after more than one year	18	<u>25,000</u>	<u>25,000</u>
		<u>34,702</u>	<u>41,830</u>
CAPITAL AND RESERVES			
Called up share capital	20	29,010	29,010
Profit and loss account	21	5,692	12,820
		<u>34,702</u>	<u>41,830</u>

Director


14/09/00

ERNST & YOUNG

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of McCormick (UK) Plc and all of its subsidiary undertakings for the year ended 27 November 1999. No profit and loss account is presented for McCormick (UK) Plc as permitted under section 230 of the Companies Act 1985.

Cashflow

No group cashflow has been prepared as permitted by FRS1 (revised) because the accounts of the group's US parent company, which include this company's cashflows, are publicly available.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. It is being written off through the profit and loss account in equal annual instalments over its estimated economic life of 20 years.

Depreciation

Depreciation is provided on all fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

	<i>Current useful lives</i>
Buildings	30-40 years
Trademarks	10 years
Plant and machinery	8 years
Furniture and fixtures	8 years
Computer hardware and software	5 years
Vehicles	4 years
Personal computers	3 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes direct materials and labour and also those overheads incurred in bringing the stock to its present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

NOTES TO THE ACCOUNTS

at 27 November 1999

1. ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

Company

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account.

Group

The accounts of the overseas subsidiary undertaking are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to the Statement of Total Recognised Gains and Losses. All other translation differences are taken to the profit and loss account.

Pension costs

The group operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. Contributions to this fund are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives within the group. The regular cost is attributed to individual years using the projected unit credit method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either accruals or prepayments in the balance sheet.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated that the timing differences will reverse.

Leased assets

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership have passed to the group, 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 lease and represents a constant proportion of the balance of capital repayments outstanding.

Operating lease rentals are charged to the profit and loss account over the term of the lease.

Research and development expenditure

Laboratory buildings and equipment used for research and development are included as fixed assets and written off in accordance with the Group's depreciation policy. Other research and development expenditure is written off in the year it is incurred.

2. TURNOVER AND SEGMENTAL ANALYSIS

Turnover represents the amounts derived from the provision of goods, including those sold on clients' behalf, and services which fall within the group's ordinary activities, all of which are continuing, stated net of value added tax.

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

2. TURNOVER AND SEGMENTAL ANALYSIS (CONTINUED)

Group turnover and operating profit derives from the continuing manufacture and distribution of food and other products. Analysis by geographical location is as follows:

<i>By destination:</i>	<i>Turnover</i>		<i>Operating profit</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
United Kingdom	173,388	162,449	5,896	7,531
Other European countries	21,193	23,190	2,097	1,884
Rest of World	4,459	7,388	1,130	996
	<u>199,040</u>	<u>193,027</u>	<u>9,123</u>	<u>10,411</u>

<i>By source:</i>	<i>Turnover</i>		<i>Operating profit</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
United Kingdom	193,005	187,437	8,097	9,349
Other European countries	-	-	-	-
Rest of World	6,035	5,590	1,026	1,062
	<u>199,040</u>	<u>193,027</u>	<u>9,123</u>	<u>10,411</u>

Net Assets by geographical location:

	<i>1999</i>	<i>1998</i>
	<i>£'000</i>	<i>£'000</i>
United Kingdom	31,777	38,356
Rest of World	1,217	1,380
Total net assets	<u>32,994</u>	<u>39,736</u>

Analysis by activities is not included as, in the opinion of the directors, this would be seriously prejudicial to the interests of the group.

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

3. OPERATING PROFIT

This is stated after charging:

	1999 £'000	1998 £'000
Depreciation of owned assets	2,787	2,672
Auditors' remuneration - audit services	85	68
- non audit services	253	245
Hire of plant and machinery	169	284
Operating lease rentals - land and buildings	359	359
- plant and machinery	1,018	1,276
Employees' profit sharing scheme	1,944	592
Amortisation of goodwill	1,470	1,469
Amortisation of trademarks	5	5
Royalties payable	3,192	3,198

4. DIRECTORS' REMUNERATION

	1999 £'000	1998 £'000
Emoluments	817	1,110
Company contributions paid to money purchase pension schemes	26	38
Compensation for loss of office	-	219

During the year directors (1998 : 9) exercised share options under the McCormick & Company Inc share option plan.

	1999 No.	1998 No.
Members of money purchase pension scheme	1	1
Members of defined benefit pension scheme	6	8

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

Emoluments	226	277
Company contributions paid to money purchase pension schemes	26	38

The highest paid director did not exercise any share options either during the year or in the preceding period.

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

5. STAFF COSTS

	1999 £'000	1998 £'000
Wages and salaries	18,371	17,558
Social security costs	1,323	1,030
Other pension costs	821	1,240
	<u>20,515</u>	<u>19,828</u>

The average weekly number of employees during the period was made up as follows:

	1999 No.	1998 No.
Manufacturing	537	507
Selling and marketing	176	194
Administration	140	146
	<u>853</u>	<u>847</u>

6. EXCEPTIONAL ITEM

	1999 £'000	1998 £'000
Restructuring costs	6,270	1,097
	<u>6,270</u>	<u>1,097</u>

7. OTHER INCOME

	1999 £'000	1998 £'000
Profit/(loss) on disposal of fixed assets	3	1
Interest receivable - third party	53	66
Other	-	6
	<u>56</u>	<u>73</u>

8. INTEREST PAYABLE

	1999 £'000	1998 £'000
Bank loans and overdrafts and other loans wholly repayable within five years	494	363
Group loans wholly repayable within five years	603	440
Bank loans due for repayment after more than five years	2,330	2,336
	<u>3,427</u>	<u>3,139</u>

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

9. TAX (CHARGE)/CREDIT ON PROFIT ON ORDINARY ACTIVITIES

	1999 £'000	1998 £'000
UK Taxation:		
UK Corporation tax at 30 1/3% (1998: 30 2/3%)	(2,225)	2,074
Deferred taxation	97	(17)
	<u>(2,128)</u>	<u>2,057</u>
Overseas taxation:		
Corporation tax	(319)	372
	<u>(2,447)</u>	<u>2,429</u>
Adjustments in respect of prior periods:		
Corporation tax	29	182
Deferred tax	-	8
	<u>(2,418)</u>	<u>2,619</u>

10. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT UNDERTAKING

The profit dealt with in the accounts of the parent undertaking was £2,872,000 (1998: £5,155,000).

11. DIVIDENDS

	1999 £'000	1998 £'000
Equity dividends on ordinary shares:		
Interim paid	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

12. INTANGIBLE FIXED ASSETS

<i>Group</i>	<i>Trademark £'000</i>	<i>Goodwill £'000</i>	<i>Total £'000</i>
COST:			
At 28 November 1998 and 27 November 1999	53	29,376	29,429
AMORTISATION:			
At 28 November 1998	37	7,956	7,993
Provided during the year	5	1,470	1,475
At 27 November 1999	42	9,426	9,468
NET BOOK VALUE:			
At 27 November 1999	11	19,950	19,961
At 28 November 1998	16	21,420	21,436
<i>Company</i>	<i>Trademark £'000</i>	<i>Goodwill £'000</i>	<i>Total £'000</i>
COST:			
At 28 November 1998 and 27 November 1999	53	12,211	12,264
AMORTISATION			
At 28 November 1998	37	4,122	4,159
Provided during the year	5	610	615
At 27 November 1999	42	4,732	4,774
NET BOOK VALUE:			
At 27 November 1999	11	7,479	7,490
At 29 November 1998	16	8,089	8,105

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

13. TANGIBLE FIXED ASSETS

<i>Group</i>	<i>Freehold land and buildings £'000</i>	<i>Leasehold property £'000</i>	<i>Plant, machinery, vehicles and equipment £'000</i>	<i>Assets in the course of construction £'000</i>	<i>Total £'000</i>
COST:					
At 28 November 1998	18,765	495	20,382	883	40,525
Additions	-	-	90	2,551	2,641
Transfers	67	-	838	(905)	-
Disposals	-	-	(4,120)	-	(4,120)
Exchange adjustment	-	-	(14)	-	(14)
At 27 November 1999	18,832	495	17,176	2,529	39,032
DEPRECIATION:					
At 28 November 1998	973	303	8,842	-	10,118
Provided during the year	626	1	2,160	-	2,787
Disposals	-	-	(2,205)	-	(2,205)
Exchange adjustment	(7)	-	-	-	(7)
At 27 November 1999	1,592	304	8,797	-	10,693
NET BOOK VALUE:					
At 27 November 1999	17,240	191	8,379	2,529	28,339
At 28 November 1998	17,792	192	11,540	883	30,407

ERNST & YOUNG

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

13. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	<i>Freehold land and buildings £'000</i>	<i>Leasehold property £'000</i>	<i>Plant, machinery, vehicles and equipment £'000</i>	<i>Assets in the course of construction £'000</i>	<i>Total £'000</i>
COST:					
At 28 November 1998	18,105	487	18,963	975	38,530
Additions	-	-	40	2,551	2,591
Transfers	67	-	1,108	(997)	178
Disposals	-	-	(3,291)	-	(3,291)
At 27 November 1999	18,172	487	16,820	2,529	38,008
DEPRECIATION:					
At 28 November 1998	911	302	8,188	-	9,401
Provided during the year	362	-	2,040	-	2,402
Transfers	-	-	73	-	73
Disposals	-	-	(1,679)	-	(1,679)
At 27 November 1999	1,273	302	8,622	-	10,197
NET BOOK VALUE:					
At 27 November 1999	16,899	185	8,198	2,529	27,811
At 28 November 1998	17,194	185	10,775	975	29,129

14. INVESTMENTS

<i>Group</i>			£'000
JOINT VENTURE:			
At 28 November 1998			168
Share of loss retained by joint venture			(155)
			<hr/>
At 27 November 1999			13
			<hr/> <hr/>
<i>Company</i>	<i>Subsidiaries</i>	<i>Joint venture</i>	<i>Total</i>
	£'000	£'000	£'000
COST:			
At 28 November 1998 and 27 November 1999	19,713	230	19,943
	<hr/>	<hr/>	<hr/>

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

14. INVESTMENTS (CONTINUED)

Details of the other investments in which the group or the company holds more than 10% of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
McCormick Glenthams (Proprietary) Limited **	Ordinary shares	100%	Dry savoury flavourings for the crisp and snack markets
Bluebroad 1 Limited	Ordinary shares	100%	Non-trading
	Preference shares	100%	
Noël Holdings Limited	Ordinary Shares	100%	Manufacture and processing of speciality ambient food products
McCormick FoodService Ltd (Formerly L Noël & Sons Limited)	Ordinary shares	100%*	Manufacture and processing of speciality ambient food products
	Preference shares	100%*	
<i>Joint Venture</i>			
McCormick Kutas (Food Service) Ltd	Ordinary shares	50%	Food importation

* owned via Noël Holdings Limited

** incorporated in the Republic of South Africa

All other subsidiaries are 100% owned by the company, or another subsidiary, and are dormant.

The accounting reference date of the joint venture is 31 December.

15. STOCKS

	<i>Group</i>		<i>Company</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Raw materials and work in progress	9,646	12,259	8,542	11,195
Finished goods	10,057	13,097	8,725	10,684
	<u>19,703</u>	<u>25,356</u>	<u>17,267</u>	<u>21,879</u>

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

16. DEBTORS

	<i>Group</i>		<i>Company</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Trade debtors	28,966	27,305	24,929	23,617
Amounts owed by group undertakings	1,396	346	1,577	1,752
Amounts owed by joint venture	-	97	-	97
Other debtors	730	450	730	382
Advance corporation tax recoverable	2,213	2,500	2,190	2,075
Prepayments and accrued income	1,411	1,556	1,232	1,433
Corporation tax	192	-	297	-
	<u>34,908</u>	<u>32,254</u>	<u>30,955</u>	<u>29,356</u>

17. CREDITORS : amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Bank overdraft	7,620	2,396	7,620	1,064
Trade creditors	15,823	19,818	15,005	18,338
Amounts owed to group undertakings	13,112	8,024	13,413	8,343
Amounts owed to joint venture	206	73	206	73
Corporation tax payable	-	1,220	-	490
Advance corporation tax payable	-	2,500	-	2,075
Accruals and deferred income	15,229	12,835	13,637	11,550
	<u>51,990</u>	<u>46,866</u>	<u>49,881</u>	<u>41,933</u>

Included within accruals and deferred income for the group is £720,000 (company : £720,000) in respect of pension contributions recognised in the profit and loss account in advance of payment.

18. CREDITORS : amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Loans	25,000	25,000	25,000	25,000

The loans which are guaranteed by the company's ultimate parent undertaking are wholly repayable on 23 November 2001. The rate of interest payable is 9.34%.

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

19. PROVISIONS FOR LIABILITIES AND CHARGES

The movements in deferred taxation for the current and previous years are as follows:

	<i>Group</i>		<i>Company</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Opening balance	97	106	-	-
Movement in year	(97)	(9)	-	-
Closing balance	-	97	-	-

Deferred taxation provided in the accounts and amounts not provided are as follows:

	<i>Group</i>			
	<i>Provided</i>	<i>Not Provided</i>		
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Capital allowances in advance of depreciation	-	97	2,008	2,009
Other timing differences	-	-	(395)	(555)
	-	97	1,613	1,454

	<i>Company</i>			
	<i>Provided</i>	<i>Not Provided</i>		
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Capital allowances in advance of depreciation	-	-	2,008	2,009
Other timing differences	-	-	(395)	(555)
	-	-	1,613	1,454

20. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>No. (000)</i>	<i>No. (000)</i>	<i>£'000</i>	<i>£'000</i>
Ordinary shares of 1p each	10,000,000	10,000,000	29,010	29,010

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

21. RECONCILIATION OF RESERVES AND MOVEMENT IN SHAREHOLDERS' FUNDS

<i>Group</i>	<i>Share Capital £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At 29 November 1997	29,010	16,222	45,232
Exchange differences on retranslation of net assets and results of subsidiary undertakings	-	(222)	(222)
Retained profit for the period	-	(5,274)	(5,274)
At 28 November 1998	29,010	10,726	39,736
Exchange differences on retranslation of net assets and results of subsidiary undertakings	-	(207)	(207)
Retained loss for the year	-	(6,666)	(6,666)
At 27 November 1999	29,010	3,853	32,863
<i>Company</i>	<i>Share Capital £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At 29 November 1997	29,010	17,665	46,675
Retained loss for the year	-	(4,845)	(4,845)
At 28 November 1998	29,010	12,820	41,830
Retained loss for the year	-	(7,128)	(7,128)
At 27 November 1999	29,010	5,692	34,702

22. CAPITAL COMMITMENTS

At 27 November 1999 the directors had authorised and contracted future capital expenditure of £nil (1998: £nil).

McCormick (UK) Limited (formerly McCormick (UK) Plc)

NOTES TO THE ACCOUNTS

at 27 November 1999

23. LEASING COMMITMENTS

Annual commitments under non-cancellable operating leases were as follows:

<i>Group</i>	<i>1999</i>		<i>1998</i>	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Operating leases which expire:				
within one year	-	152	-	148
between two and five years	275	650	275	954
over five years	84	-	84	105
	<u>359</u>	<u>802</u>	<u>359</u>	<u>1,207</u>

<i>Company</i>	<i>1999</i>		<i>1998</i>	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Operating leases which expire:				
within one year	-	137	-	148
between two and five years	275	631	275	954
over five years	84	-	84	105
	<u>359</u>	<u>768</u>	<u>359</u>	<u>1,207</u>

24. PENSION COMMITMENTS

The group operates a defined benefit pension scheme which is funded by the payment of contributions to a separately administered trust fund.

Contributions to the scheme are determined with the advice of an independent qualified actuary on the basis of a valuation using the projected unit credit method. The result of the most recent valuation, which was conducted as at 1 April 1997 was as follows:

Main assumptions:

Rate of return on investments (% per annum)	8.5%
Rate of pensionable salary increases (% per annum)	6.5%
Rate of staff promotions (% per annum)	0.5%

Market value of scheme's assets on 1 April 1997 £20,257,000

Level of funding being the actuarial value of assets
(expressed as a percentage of the benefits accrued) to
members, after allowing for future salary increases 117%

The surplus in the scheme is being recognised as a variation from regular cost over the average expected remaining service lives of the employees.

NOTES TO THE ACCOUNTS

at 27 November 1999

24. PENSION COMMITMENTS (CONTINUED)

The defined benefit pension scheme valuation does not take into account the required changes arising from the need to equalise benefits for men and women.

In addition, a number of subsidiary undertakings operate defined contribution pension schemes. The assets of these schemes are held separately from those of the subsidiary undertakings in independently administered funds.

25. RELATED PARTIES

More than 90% of the voting rights of the company are controlled by the group and the group accounts of the ultimate parent company, which include the company, are publicly available (note 26). As a result of these conditions, the company is exempt from disclosing transactions with entities that are part of the group in accordance with FRS 8, Related Party Disclosures.

26. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the smallest group of which the company is a member and for which group accounts are prepared is McCormick Europe Unlimited, the company's immediate parent undertaking.

The parent undertaking of the largest group of which the company is a member and for which group accounts are prepared is McCormick & Company Inc., which is incorporated in the USA and in the directors' opinion is the company's ultimate parent undertaking and controlling party. Copies of the consolidated accounts including the McCormick (UK) Plc group are available from its principal place of business at 18 Loveton Circle, PO Box 6000, Sparks, Maryland, 2115-6000 USA.