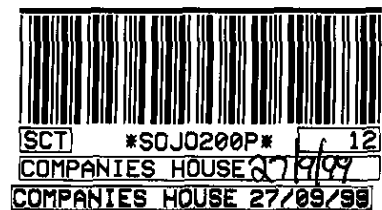


McCormick (UK) Plc

Report and Accounts

28 November 1998

Registered No. 15262



ERNST & YOUNG

DIRECTORS

J C Molan (Chairman)
W Sinclair
J M Morrisroe
M Navarre
P S Reath
M Smith
G M Jackson

SECRETARY

J M Morrisroe

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 Furnival 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 28 November 1998.

RESULTS AND DIVIDENDS

The profit after taxation for the year amounted to £4,726,000 (1997: £6,526,000).

An interim ordinary dividend of £10,000,000 was paid in the year (1997: £nil). The directors do not recommend a final dividend. After exchange differences on retranslation of net assets and results of subsidiary undertakings of £222,000 (1997: £96,000), the retained profit carried forward is £10,726,000 (1997: £16,222,000).

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 28 November 1998 were satisfactory, and the future outlook for the business remains promising.

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 £3,181 (1997: £9,829) to local charities serving the needs of the community.

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

R J F Keefe	(resigned 20 November 1998)
C D F Savage	(resigned 20 November 1998)
W Sinclair	
J C Molan	(Chairman)
J Aspin	(resigned 20 November 1998)
N H Beal	(resigned 20 November 1998)
T J Casey	(resigned 20 November 1998)
P S Reath	
M Smith	
G M Jackson	
M A C Beard	(appointed 20 November 1998, resigned 12 July 1999)
J M Morrisroe	(appointed 20 November 1998)
M Navarre	(appointed 20 November 1998)

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 28 November 1998, the company had an average of 48 days purchases outstanding in trade creditors.

YEAR 2000 COMPLIANCE

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is 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. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

A company-wide programme, designed to address the impact of the Year 2000 on our business, has been commissioned by the Board and is under way. Resources have been allocated and the Board receives regular reports on progress.

A significant risk analysis has been performed to determine the impact of the issue on all our activities. From this, prioritised action plans have been developed which are designed to address the key risks in advance of critical dates and without disruption to the underlying business processes.

The risk analysis also considers the impact on our business of Year 2000 related failures by our significant suppliers and customers. In appropriate cases we have initiated formal communication with these other parties.

Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain, because at least some level of failure may still occur. However, the Board

DIRECTORS' REPORT

YEAR 2000 COMPLIANCE (CONTINUED)

believes that it will achieve an acceptable state of readiness and has also provided resources to deal promptly with significant subsequent failures or issues that might arise.

The cost of implementing the action plans will be subsumed into the recurring activities of the departments involved. The total costs of modifications to our computer hardware and software is estimated at £274,000 which will be expensed as incurred. Of this expenditure £203,000 has been incurred up to 28 November 1998 with the remainder anticipated to be incurred during 1999.

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



27 SEP 1999

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.

REPORT OF THE AUDITORS**to the members of McCormick (UK) Plc**

We have audited the accounts on pages 9 to 27, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 13 and 14.

Respective responsibilities of directors and auditors

As described on page 7 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements 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 28 November 1998 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

27 September 1999.

McCormick (UK) Plc

PROFIT AND LOSS ACCOUNT

for the year ended 28 November 1998

		53 weeks ended 29 November	
	Notes	1998 £'000	1997 £'000
TURNOVER			
Turnover: group and share of joint venture's turnover		193,586	188,729
Less: share of joint venture's turnover		(559)	(350)
Continuing operations		193,027	188,379
Discontinued operations		-	58
GROUP TURNOVER	2	193,027	188,437
Cost of sales	3	164,808	159,513
GROSS PROFIT		28,219	28,924
Distribution costs	3	6,469	7,339
Administrative expenses	3	8,935	9,149
Research and development expenditure	3	1,362	1,280
Exceptional items	7	1,097	2,767
		17,863	20,535
OPERATING PROFIT			
Continuing operations		10,356	8,469
Discontinued operations		-	(80)
GROUP OPERATING PROFIT		10,356	8,389
Share of operating profit/(loss) in joint venture	4	55	(102)
TOTAL OPERATING PROFIT: group and share of joint venture		10,411	8,287
Other income	8	73	274
Interest payable	9	(3,139)	(3,014)
		(3,066)	(2,740)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,345	5,547
Tax charge/(credit) on profit on ordinary activities	10	2,619	(979)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,726	6,526
DIVIDENDS PAYABLE			
Ordinary dividends on equity shares	12	(10,000)	-
RETAINED (LOSS)/PROFIT FOR THE YEAR	22	(5,274)	6,526

McCormick (UK) Plc

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 28 November 1998

	1998 £'000	53 weeks ended 29 November 1997 £'000
Profit for the year	4,726	6,526
Exchange differences	(222)	(96)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	4,504	6,430


McCormick (UK) Plc

GROUP BALANCE SHEET

at 28 November 1998

	Notes	£'000	1998 £'000	1997 £'000
FIXED ASSETS				
Intangible assets	13		21,436	22,910
Tangible assets	14		30,407	30,658
Investments	15			
Investments in joint venture:				
Share of gross assets		656		426
Share of gross liabilities		(488)		(298)
			168	128
			52,011	53,696
CURRENT ASSETS				
Stocks	16	25,356		29,630
Debtors	17	32,254		33,820
Cash at bank and in hand		2,078		2,271
		59,688		65,721
CREDITORS: amounts falling due within one year	18	46,866		49,079
NET CURRENT ASSETS			12,822	16,642
TOTAL ASSETS LESS CURRENT LIABILITIES			64,833	70,338
CREDITORS: amounts falling due after more than one year	19		25,000	25,000
PROVISIONS FOR LIABILITIES AND CHARGES	20		97	106
			25,097	25,106
			39,736	45,232
CAPITAL AND RESERVES				
Called up share capital	21		29,010	29,010
Profit and loss account	22		10,726	16,222
			39,736	45,232

Director



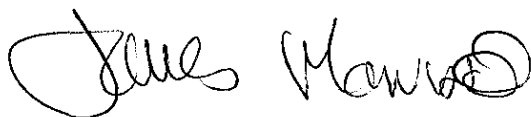
27 SEP 1999

McCormick (UK) Plc

COMPANY BALANCE SHEET at 28 November 1998

	Notes	1998 £'000	1997 £'000
FIXED ASSETS			
Intangible assets	13	8,105	8,721
Tangible assets	14	29,129	29,467
Investments	15	19,943	19,943
		<u>57,177</u>	<u>58,131</u>
CURRENT ASSETS			
Stock	16	21,879	26,834
Debtors	17	29,356	30,579
Cash at bank and in hand		351	2,367
		<u>51,586</u>	<u>59,780</u>
CREDITORS: amounts falling due within one year	18	41,933	46,236
		<u>9,653</u>	<u>13,544</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>66,830</u>	<u>71,675</u>
CREDITORS: amounts falling due after more than one year	19	25,000	25,000
		<u>41,830</u>	<u>46,675</u>
CAPITAL AND RESERVES			
Called up share capital	21	29,010	29,010
Profit and loss account	22	12,820	17,665
		<u>41,830</u>	<u>46,675</u>

Director



27 SEP 1999

NOTES TO THE ACCOUNTS

at 28 November 1998

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 28 November 1998. 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 tangible 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 28 November 1998

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) Plc

NOTES TO THE ACCOUNTS

at 28 November 1998

2. TURNOVER AND SEGMENTAL ANALYSIS (CONTINUED)

Group turnover and operating profit derives from the 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>1998</i>	<i>1997</i>	<i>1998</i>	<i>1997</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
United Kingdom	162,449	158,366	7,531	4,254
Other European countries	23,190	20,443	1,884	2,682
Rest of World	7,388	9,628	996	1,351
	<u>193,027</u>	<u>188,437</u>	<u>10,411</u>	<u>8,287</u>

<i>By source:</i>	<i>Turnover</i>		<i>Operating profit</i>	
	<i>1998</i>	<i>1997</i>	<i>1998</i>	<i>1997</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
United Kingdom	187,437	182,539	9,349	7,047
Other European countries	-	-	-	-
Rest of World	5,590	5,898	1,062	1,240
	<u>193,027</u>	<u>188,437</u>	<u>10,411</u>	<u>8,287</u>

Net Assets by geographical location:

	<i>1998</i>	<i>1997</i>
	<i>£'000</i>	<i>£'000</i>
United Kingdom	38,356	44,335
Rest of World	1,380	897
Total net assets	<u>39,736</u>	<u>45,232</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) Plc

NOTES TO THE ACCOUNTS

at 28 November 1998

3. COST OF SALES AND OPERATING EXPENSES

	1998			1997		
	<i>Continuing</i>	<i>Discontinued</i>	<i>Total</i>	<i>Continuing</i>	<i>Discontinued</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000	£'000
Cost of Sales	164,808	-	164,808	159,429	84	159,513
Distribution costs	6,469	-	6,469	7,320	19	7,339
Administration expenses	8,935	-	8,935	9,114	35	9,149
Research & development expenditure	1,362	-	1,362	1,280	-	1,280
(Profit)/loss from interest in joint venture	(55)	-	(55)	102	-	102
Exceptional items	1,097	-	1,097	2,444	323	2,767
	<u>182,616</u>	<u>-</u>	<u>182,616</u>	<u>179,689</u>	<u>461</u>	<u>180,150</u>

4. OPERATING PROFIT

This is stated after charging/(crediting):

	1998 £'000	1997 £'000
Depreciation of owned assets	2,672	2,253
Auditors' remuneration - audit services	68	76
- non audit services	245	629
Hire of plant and machinery	284	220
Operating lease rentals - land and buildings	359	340
- plant and machinery	1,276	1,868
Employees' profit sharing scheme	592	456
Government grants	-	(50)
Amortisation of goodwill	1,469	1,471
Amortisation of trademarks	5	5
Royalties payable	3,198	3,111
	<u> </u>	<u> </u>

5. DIRECTORS' REMUNERATION

	1998 £'000	1997 £'000
Emoluments	1,110	919
	<u> </u>	<u> </u>
Company contributions paid to money purchase pension schemes	38	-
	<u> </u>	<u> </u>
Compensation for loss of office	219	-
	<u> </u>	<u> </u>

During the year 9 directors (1997 : 5) exercised share options under the McCormick & Company Inc share option plan.

McCormick (UK) Plc

NOTES TO THE ACCOUNTS

at 28 November 1998

5. DIRECTORS' REMUNERATION (CONTINUED)

	1998 No.	1997 No.
Members of money purchase pension scheme	1	nil
Members of defined benefit pension scheme	8	8

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

Emoluments	277	239
Company contributions paid to money purchase pension schemes	38	nil

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

6. STAFF COSTS

	1998 £'000	1997 £'000
Wages and salaries	17,558	17,842
Social security costs	1,030	1,124
Other pension costs	1,240	1,217
	19,828	20,183

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

	1998 No.	1997 No.
Manufacturing	507	444
Selling and marketing	194	223
Administration	146	165
	847	832

7. EXCEPTIONAL ITEM

	1998 £'000	1997 £'000
Restructuring costs	1,097	835
Costs associated with relocation of production facility	-	1,609
Costs in disposal of trade and assets of Bluebroad Ltd	-	323
	1,097	2,767

McCormick (UK) Plc

NOTES TO THE ACCOUNTS

at 28 November 1998

8. OTHER INCOME

	1998 £'000	1997 £'000
Profit/(loss) on disposal of fixed assets	1	(9)
Interest receivable - third party	66	280
- group	-	1
Other	6	2
	<u>73</u>	<u>274</u>

9. INTEREST PAYABLE

	1998 £'000	1997 £'000
Bank loans and overdrafts and other loans wholly repayable within five years	363	631
Group loans wholly repayable within five years	440	9
Bank loans due for repayment after more than five years	2,336	2,373
Other	-	1
	<u>3,139</u>	<u>3,014</u>

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

	1998 £'000	1997 £'000
UK Taxation:		
UK Corporation tax at 31 ² / ₃ % (1996: 33%)	2,074	770
Deferred taxation	(17)	4
	<u>2,057</u>	<u>774</u>
Overseas taxation:		
Corporation tax	372	421
	<u>2,429</u>	<u>1,195</u>
Adjustments in respect of prior periods:		
Corporation tax	182	(2,192)
Deferred tax	8	18
	<u>2,619</u>	<u>(979)</u>

11. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT UNDERTAKING

The retained loss dealt with in the accounts of the parent undertaking was £4,845,000 (1997: profit of £4,972,000).

McCormick (UK) Plc

NOTES TO THE ACCOUNTS at 28 November 1998

12. DIVIDENDS

	1998 £'000	1997 £'000
Equity dividends on ordinary shares:		
Interim paid	10,000	-

13. INTANGIBLE FIXED ASSETS

Group	Trademark £'000	Goodwill £'000	Total £'000
COST:			
At 28 November 1998 and 29 November 1997	53	29,376	29,429
AMORTISATION:			
At 29 November 1997	32	6,487	6,519
Provided during the year	5	1,469	1,474
At 28 November 1998	37	7,956	7,993
NET BOOK VALUE:			
At 28 November 1998	16	21,420	21,436
At 29 November 1997	21	22,889	22,910
Company	Trademark £'000	Goodwill £'000	Total £'000
COST:			
At 28 November 1998 and 29 November 1997	53	12,211	12,264
AMORTISATION			
At 29 November 1997	32	3,511	3,543
Provided during the year	5	611	616
At 28 November 1998	37	4,122	4,159
NET BOOK VALUE:			
At 28 November 1998	16	8,089	8,105
At 29 November 1997	21	8,700	8,721

McCormick (UK) Plc

NOTES TO THE ACCOUNTS at 28 November 1998

14. 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 30 November 1997	18,239	1,758	18,215	1,570	39,782
Additions	107	6	171	2,612	2,896
Transfers	419	-	2,880	(3,299)	-
Disposals	-	(1,269)	(840)	-	(2,109)
Exchange adjustment	-	-	(44)	-	(44)
At 28 November 1998	18,765	495	20,382	883	40,525
DEPRECIATION:					
At 30 November 1997	391	1,556	7,177	-	9,124
Provided during the year	582	-	2,090	-	2,672
Disposals	-	(1,253)	(405)	-	(1,658)
Exchange adjustment	-	-	(20)	-	(20)
At 28 November 1998	973	303	8,842	-	10,118
NET BOOK VALUE:					
At 28 November 1998	17,792	192	11,540	883	30,407
At 29 November 1997	17,848	202	11,038	1,570	30,658

McCormick (UK) Plc

NOTES TO THE ACCOUNTS at 28 November 1998

14. TANGIBLE FIXED ASSETS (CONTINUED)

<i>Company</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 30 November 1997	17,686	1,742	17,009	1,569	38,006
Additions	-	-	-	2,612	2,612
Transfers	419	-	2,787	(3,206)	-
Disposals	-	(1,255)	(833)	-	(2,088)
At 28 November 1998	18,105	487	18,963	975	38,530
DEPRECIATION:					
At 30 November 1997	346	1,536	6,657	-	8,539
Provided during the year	565	-	1,928	-	2,493
Disposals	-	(1,234)	(397)	-	(1,631)
At 28 November 1998	911	302	8,188	-	9,401
NET BOOK VALUE:					
At 28 November 1998	17,194	185	10,775	975	29,129
At 29 November 1997	17,340	206	10,352	1,569	29,467

15. INVESTMENTS

<i>Group</i>	<i>£'000</i>
JOINT VENTURE:	
At 29 November 1997	128
Share of profit retained by joint venture	40
At 28 November 1998	168
<i>Company</i>	<i>Subsidiaries Joint venture £'000 £'000</i>
COST:	
At 29 November 1997 and 28 November 1998	19,713 230 19,943

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NOTES TO THE ACCOUNTS

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15. 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.

16. STOCKS

	<i>Group</i>		<i>Company</i>	
	<i>1998</i>	<i>1997</i>	<i>1998</i>	<i>1997</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Raw materials and work in progress	12,259	14,896	11,195	13,800
Finished goods	13,097	14,734	10,684	13,034
	<u>25,356</u>	<u>29,630</u>	<u>21,879</u>	<u>26,834</u>

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17. DEBTORS

	<i>Group</i>		<i>Company</i>	
	<i>1998</i>	<i>1997</i>	<i>1998</i>	<i>1997</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Trade debtors	27,305	29,388	23,617	24,666
Amounts owed by group undertakings	346	41	1,752	997
Amounts owed by joint venture	97	44	97	44
Other debtors	450	669	382	567
Advance corporation tax recoverable	2,500	-	2,075	-
Prepayments and accrued income	1,556	2,539	1,433	2,479
Corporation tax	-	1,139	-	1,826
	<u>32,254</u>	<u>33,820</u>	<u>29,356</u>	<u>30,579</u>

Included in prepayments and accrued income for the group for 1997 is £182,000 (company : £182,000) in respect of pension contributions made in advance of their recognition in the profit and loss account.

18. CREDITORS : amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>1998</i>	<i>1997</i>	<i>1998</i>	<i>1997</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Bank overdraft	2,396	1,246	1,064	1,246
Trade creditors	19,818	22,317	18,338	20,252
Amounts owed to group undertakings	8,024	11,557	8,343	11,818
Amounts owed to joint venture	73	114	73	114
Corporation tax payable	1,220	-	490	-
Advance corporation tax payable	2,500	-	2,075	-
Accruals and deferred income	12,835	13,845	11,550	12,806
	<u>46,866</u>	<u>49,079</u>	<u>41,933</u>	<u>46,236</u>

Included within accruals and deferred income for the group is £342,000 (company : £342,000) in respect of pension contributions recognised in the profit and loss account in advance of payment.

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

	<i>Group</i>		<i>Company</i>	
	<i>1998</i>	<i>1997</i>	<i>1998</i>	<i>1997</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%.

NOTES TO THE ACCOUNTS
at 28 November 1998

20. PROVISIONS FOR LIABILITIES AND CHARGES

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

	Group		Company	
	1998	1997	1998	1997
	£'000	£'000	£'000	£'000
Opening balance	106	84	-	-
Movement in year	(9)	22	-	-
Closing balance	97	106	-	-

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

	Group			
	Provided		Not Provided	
	1998	1997	1998	1997
	£'000	£'000	£'000	£'000
Capital allowances in advance of depreciation	97	106	2,009	1,855
Other timing differences	-	-	(555)	(269)
	97	106	1,454	1,586

	Company			
	Provided		Not Provided	
	1998	1997	1998	1997
	£'000	£'000	£'000	£'000
Capital allowances in advance of depreciation	-	-	2,009	1,889
Other timing differences	-	-	(555)	(269)
	-	-	1,454	1,620

21. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1998	1997	1998	1997
	No. (000)	No. (000)	£'000	£'000
Ordinary shares of 1p each	10,000,000	10,000,000	29,010	29,010

McCormick (UK) Plc

NOTES TO THE ACCOUNTS

at 28 November 1998

22. 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 23 November 1996	29,010	9,792	38,802
Exchange differences on retranslation of net assets and results of subsidiary undertakings	-	(96)	(96)
Retained profit for the period	-	6,526	6,526
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 loss for the year	-	(5,274)	(5,274)
At 28 November 1998	29,010	10,726	39,736
<hr/>			
<i>Company</i>	<i>Share Capital £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At 23 November 1996	29,010	12,693	41,703
Retained profit for the period	-	4,972	4,972
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

23. CAPITAL COMMITMENTS

At 28 November 1998 the directors had authorised and contracted future capital expenditure of £nil (1997: £5,900).

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NOTES TO THE ACCOUNTS

at 28 November 1998

24. LEASING COMMITMENTS

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

Group	1998		1997	
	Land and	Other	Land and	Other
	buildings £'000	£'000	buildings £'000	£'000
Operating leases which expire:				
within one year	-	148	130	59
between two and five years	275	954	145	198
over five years	84	105	65	-
	<u>359</u>	<u>1,207</u>	<u>340</u>	<u>257</u>
Company	1998		1997	
	Land and	Other	Land and	Other
	buildings £'000	£'000	buildings £'000	£'000
Operating leases which expire:				
within one year	-	148	130	59
between two and five years	275	954	145	198
over five years	84	105	65	-
	<u>359</u>	<u>1,207</u>	<u>340</u>	<u>257</u>

25. 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

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25. 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.

26. 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 27). 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.

27. 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.