

Registered No. 64218

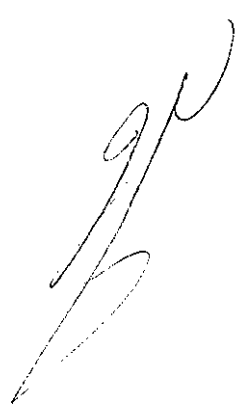
**UB GROUP LIMITED**

**REPORT AND ACCOUNTS**

**FOR**

**THE 52 WEEKS ENDED**

**30th DECEMBER 1995**



# UB Group Limited

## Directors' Report

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### Directors

E.L. Nicoli  
A.G. Clark  
A.D. Frew  
J.A. Warren

The directors present their report and the accounts for the fifty-two weeks ended 30th December 1995.

### Principal activities and review of the business

The principal activity of the Company is to act as a holding company for the United Biscuits group. No change in this activity is intended.

Full details of the performance of the United Biscuits group are set out in the report and accounts of United Biscuits (Holdings) plc, the ultimate parent company, copies of which may be obtained from the address shown in note 11.

### Profit and appropriations

The profit and appropriations for the year are shown in the profit and loss account on page 6. On 20th March 1995, the Company paid an interim dividend in respect of 1994 of £100m. On 29th September 1995, the Company paid an interim dividend of £18m and on 15th December 1995, the Company paid a second interim dividend of £18.4m. The directors do not recommend the payment of any further dividend.

### Employees

The Company, as a holding company, does not have any employees.

### Directors

The names of the present directors, all of whom served throughout the year, are as stated above. In accordance with the articles of association, they remain in office.

Directors of the Company are eligible to participate in the group's employee share schemes. Except in relation to the scrip dividend alternative, no other arrangements to which the Company was a party subsisted at the end of the year or at any time during the year which would enable directors or their families to acquire benefits by the acquisition of shares in, or debentures of, the Company or any body Corporate.

No director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business.

The interests of the directors and their families in the share capital of the ultimate parent company, United Biscuits (Holdings) plc at the beginning and end of the year are set out in note 10 to the accounts.

During the year the Company maintained liability insurance for its directors and officers.

# **UB Group Limited**

## **Directors' Report (continued)**

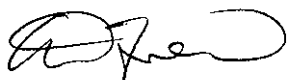
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### **Auditors**

A resolution to reappoint Ernst & Young as auditors will be put to the annual general meeting.

On behalf of the board



**A.D. Frew**

Secretary

15th May 1996

Registered Office:

12 Hope Street  
Edinburgh  
EH2 4DD

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**Statement of directors' responsibilities in relation to the accounts**

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The following statement which should be read in conjunction with the report of the auditors set out on page 5, describes the responsibilities of the directors in relation to these accounts.

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the year and of the profit and loss for the year.

The directors are of the opinion that, in preparing the accounts on pages 6 to 13 inclusive, appropriate accounting policies have been consistently applied, supported by reasonable and prudent estimates and judgements, and all applicable accounting standards have been followed.

The directors are responsible for ensuring that the Company keeps accounting records which disclose, with reasonable accuracy, the financial position of the Company and which enable them to ensure that the accounts comply with the Companies Act 1985.

The directors also have responsibility for safeguarding the assets of the Company and for taking reasonable steps to ensure the prevention of fraud and other irregularities.

They are satisfied that the Company has adequate resources to meet its operational needs for the foreseeable future and accordingly they continue to adopt the going concern basis in preparing the accounts.

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**Report of the auditors to the members of UB Group Limited**

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We have audited the accounts on pages 6 to 13 which have been prepared under the historical cost convention and on the basis of 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 the accounts. It is our responsibility to form an independent opinion on those accounts based on our audit, and to report our opinion to you.

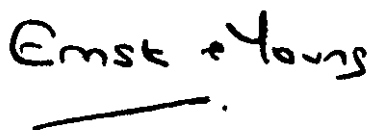
**Basis of opinion**

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 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 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 as at 30th December 1995 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Ernst & Young**  
Chartered Accountants  
Registered Auditor  
London

15th May 1996

# UB Group Limited

## Profit & Loss Account

for the 52 weeks ended 30th December 1995

Notes		1995 £m	1994 £m
	Income from shares in group undertakings	26.4	72.3
	Administrative expenses	-	0.5
	Royalty income	5.6	5.2
	Profit on ordinary activities before tax	32.0	77.0
2	Tax on profit on ordinary activities	6.5	2.9
	Profit attributable to shareholders	25.5	74.1
3	Dividends	36.4	119.8
8	Balance from reserves	(10.9)	(45.7)

There were no recognised gains or losses other than the profit for the year disclosed above.

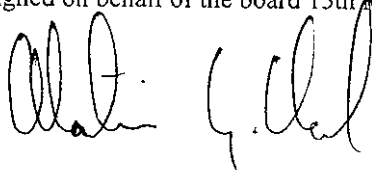
# UB Group Limited

## Balance Sheet

as at 30th December 1995

Notes		1995 £m	1994 £m
	<b>Fixed assets</b>		
4	Intangible assets	73.4	70.1
5	Investments	356.5	355.0
		429.9	425.1
	<b>Current assets</b>		
6	Debtors	-	1.6
	Amount owed by fellow subsidiary undertakings	66.3	38.6
	Taxation	4.1	-
	Cash at bank and in hand	-	1.2
		70.4	41.4
	<b>Creditors: amounts falling due within one year</b>		
	Amount owed to parent company and fellow subsidiary undertakings	311.4	269.5
	Taxation	-	0.8
		311.4	270.3
	<b>Net current liabilities</b>	(241.0)	(228.9)
	<b>Total assets less current liabilities</b>	188.9	196.2
	<b>Creditors: amounts falling due after more than one year</b>		
	Taxation	17.6	14.0
		171.3	182.2
	<b>Capital and reserves</b>		
7	Called up equity share capital	11.0	11.0
8	Share premium account	155.1	155.1
8	Profit and loss account	5.2	16.1
	<b>Shareholder's funds</b>	171.3	182.2

Signed on behalf of the board 15th May 1996.



A.G. Clark

# **UB Group Limited**

## **Notes to the accounts at 30th December 1995**

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### **1 Accounting policies**

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#### **Basis of accounting**

The accounts are prepared on the historical cost basis of accounting, and in accordance with applicable accounting standards.

#### **Intangible assets**

Trademarks are valued at cost at the date of acquisition and accounted for as intangible assets.

No amortisation is provided on these assets but the cost will be written down if, in the directors' opinion, there has been a permanent diminution in their value.

#### **Taxation**

Deferred taxation is provided on all timing differences of material amount except where no liability is likely to arise in the foreseeable future. Advance corporation tax is carried forward provided that it is expected to be offset against corporation tax liabilities on the profits of the next accounting period.

#### **Foreign currency translations**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction, all differences being taken to the profit and loss account.

#### **Cash flow statement**

The Company has not produced a cash flow statement as the ultimate holding company, United Biscuits (Holdings) plc has prepared a consolidated cash flow statement complying with FRS 1.



# UB Group Limited

Notes to the accounts at 30th December 1995 (continued)

## 2 Tax on profit on ordinary activities

	1995 £m	1994 £m
On the profit for the year :		
UK corporation tax at 33%	1.9	1.8
Tax credit on UK dividends received	4.7	2.4
Adjustments in respect of prior years	(0.1)	(1.3)
	<u>6.5</u>	<u>2.9</u>

## 3 Dividends

	1995 £m	1994 £m
Dividends - paid	36.4	19.8
Proposed dividend	-	100.0
	<u>36.4</u>	<u>119.8</u>

## 4 Intangible Assets

	1995 £m	1994 £m
Trademarks at cost :		
At 1st January 1995	70.1	70.1
Additions	<u>3.3</u>	-
At 30th December 1995	<u>73.4</u>	<u>70.1</u>

# UB Group Limited

## Notes to the accounts at 30th December 1995 (continued)

### 5 Investments

	1995 £m	1994 £m
Investments in subsidiary undertakings	355.0	355.0
Investments in associate undertakings	<u>1.5</u>	<u>-</u>
	<u>356.5</u>	<u>355.0</u>
Movements during the year		
At 1st January 1995	355.0	
Additions	<u>1.5</u>	
At 30th December 1995	<u>356.5</u>	

The company owns 24.9% of the ordinary shares of Capital Foods Retail Limited, a company registered in Scotland, engaged in food retailing activities.

Details of the Company's principal subsidiary undertakings at 30th December 1995 are set out below:

Principal subsidiary undertakings	Activities and operations	Country of incorporation
Derwent Valley Foods Group Limited	Snack manufacturer	England
United Biscuits (UK) Limited	Food manufacturer	England

The above subsidiaries are wholly owned.

Group accounts have not been prepared as the Company is a wholly owned subsidiary of another company incorporated in Great Britain. The directors are of the opinion that the aggregate value of the Company's investment in its subsidiary undertakings was not less than the amount at which it is included in the balance sheet.

### 6 Debtors

	1995 £m	1994 £m
Amount due from associate undertakings	<u>-</u>	<u>1.6</u>

# UB Group Limited

## Notes to the accounts at 30th December 1995 (continued)

### 7 Equity share capital

	1995 £m	1994 £m
Authorised, allotted, called up and fully paid 11 million ordinary shares of £1 each	<u>11.0</u>	<u>11.0</u>

### 8 Reconciliation of movements in shareholder's funds

	Called up equity share capital £m	Share premium £m	Profit and loss account £m	1995 Total £m	1994 Total £m
At 1st January 1995	11.0	155.1	16.1	182.2	227.9
Profit attributable to shareholders	-	-	25.5	25.5	74.1
Dividends	-	-	(36.4)	(36.4)	(119.8)
At 30th December 1995	<u>11.0</u>	<u>155.1</u>	<u>5.2</u>	<u>171.3</u>	<u>182.2</u>

# UB Group Limited

Notes to the accounts at 30th December 1995 (continued)

## 9 Directors' emoluments

	1995 £000	1994 £000
Emoluments as executives:		
- Salaries	941	869
- Benefits in kind	62	55
- Pension contributions	219	203
	<u>1,222</u>	<u>1,127</u>

Emoluments, excluding pension fund contributions, of the directors were within the following bands

£	No.	No.
125,001 - 130,000	-	1
145,001 - 150,000	1	1
155,001 - 160,000	1	-
235,001 - 240,000	-	1
255,001 - 260,000	1	-
405,001 - 410,000	-	1
430,001 - 435,000	1	-

The emoluments, excluding pension contributions, of the highest paid director were £434,752 (1994: £408,294).

The directors of the Company are also directors of fellow subsidiaries. The directors received total remuneration for the year of £1,221,567 (1994: £1,126,544), which was paid by fellow subsidiaries. The directors do not believe that it is practicable to apportion this amount between their services as directors of the Company and their services as directors of fellow subsidiaries.

## 10 Directors' interests in the share capital of the ultimate holding company

	Ordinary Shares		Options			
	1995 No.	1994 No.	1995 No.	Granted	Exercised	1994 No.
A.G. Clark	42,502	38,332	124,930	42,668	2,300	84,562
A.D. Frew	-	-	154,626	53,266	-	101,360
E.L. Nicoli	71,941	31,544	476,689	104,052	33,721	406,358
J.A. Warren	19,867	10,320	257,090	61,888	16,676	211,878

Since the year end, the beneficial shareholdings of A.G. Clark, E.L. Nicoli and J.A. Warren have increased by 240, 12 and 271 shares respectively.

The options are exercisable at prices varying from 219p to 400p up to September 2005.

## **UB Group Limited**

**Notes to the accounts at 30th December 1995 (continued)**

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**11 Ultimate parent company**

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The ultimate parent company is United Biscuits (Holdings) plc which is incorporated in Scotland. Copies of the group accounts can be obtained from Church Road, West Drayton, Middlesex UB7 7PR.