

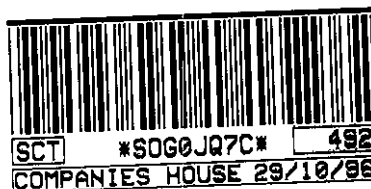


PERIMAX (SCOTLAND) LIMITED

Report and Financial Statements

Year ended 31 December 1995

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP





REPORT AND FINANCIAL STATEMENTS 1995

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J C Hood
F Ley
R Gouin
J Y Quere

SECRETARY

O E Howard

REGISTERED OFFICE

Sir William Smith Road
Kirkton Industrial Estate
Arbroath
Angus
DD11 4HR

BANKERS

Bank of Scotland plc
Brothock Bridge
Arbroath
Angus
DD11 1NH

SOLICITORS

Thorntons WS
Brothockbank House
Arbroath
Angus
DD11 1NJ

AUDITORS

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

ACTIVITIES

The principal activity of the company continues to be that of meat processing, trading and technical services.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company achieved a profit before taxation of £458,322 (1994: £607,883). Further details of the company's performance are set out in the profit and loss account on page 5, and the position of the company at the end of the year is shown in the balance sheet on page 6.

The directors are optimistic that the company will continue to trade profitably in the coming year.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors recommend payment of a dividend of £390,000 (1994: Nil). Retained losses for the year after taxation and dividends transferred from reserves amounted to £88,752 (1994: profit £402,481).

FIXED ASSETS

Details of movements in fixed assets are shown in note 6 in the accounts.

DIRECTORS

The present membership of the board is set out on page 1. All directors served throughout the year.

The directors' have no beneficial interests in the ordinary shares of the company. The directors' interests in the parent company are disclosed in that company's accounts.

AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the board of directors
and signed on behalf of the board

O E Howard
Secretary



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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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. 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.



Chartered Accountants

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol BS1 4JP

Telephone: National 0117 921 1622
International + 44 117 921 1622
Fax (Gp. 3): 0117 929 2801

PERIMAX (SCOTLAND) LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

8 October 1996

Chartered Accountants and
Registered Auditors

PROFIT AND LOSS ACCOUNT
Year ended 31 December 1995

	Notes	1995 £	1994 £
TURNOVER - continuing operations		2,998,695	3,260,189
Cost of sales		(2,073,967)	(2,199,966)
GROSS PROFIT		<u>924,728</u>	<u>1,060,223</u>
Distribution costs		110,283	134,517
Administrative expenses		356,123	317,823
		<u>(466,406)</u>	<u>(452,340)</u>
OPERATING PROFIT - continuing operations		<u>458,322</u>	<u>607,883</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	458,322	607,883
Tax on profit on ordinary activities	4	(157,074)	(205,402)
PROFIT FOR THE FINANCIAL YEAR		<u>301,248</u>	<u>402,481</u>
Dividends	5	(390,000)	-
Retained (loss)/profit for the financial year	13	<u>(88,752)</u>	<u>402,481</u>

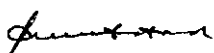
The company has no recognised gains or losses other than the profit for the financial year. Accordingly no statement of total recognised gains and losses has been prepared.

BALANCE SHEET
Year ended 31 December 1995

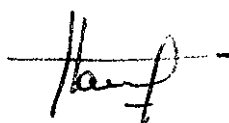
	Notes	1995		1994	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		467,531		573,716
CURRENT ASSETS					
Stocks	7	93,315		135,963	
Debtors	8	1,206,096		858,713	
Cash at bank and in hand		1,014		7,358	
		<u>1,300,425</u>		<u>1,002,034</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Trade creditors		103,977		176,924	
Other creditors including taxation and social security	9	210,645		229,403	
Accruals and deferred income	10	53,708		54,812	
Proposed dividend		390,000		-	
		<u>(758,330)</u>		<u>(461,139)</u>	
NET CURRENT ASSETS			<u>542,095</u>		<u>540,895</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,099,626</u>		<u>1,114,611</u>
PROVISIONS FOR LIABILITIES AND CHARGES	11		<u>(43,055)</u>		<u>(59,288)</u>
			<u>966,571</u>		<u>1,055,323</u>
CAPITAL AND RESERVES					
Called up share capital	12	100,000		100,000	
Profit and loss account	13	866,571		955,323	
Total equity shareholders' funds			<u>966,571</u>		<u>1,055,323</u>

These financial statements were approved by the Board of Directors on **30 September 1996**

Signed on behalf of the Board of Directors



J C Hood, Director



F Ley, Director

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

These financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold properties.

Tangible fixed assets

Depreciation is not provided on freehold land. On other assets it is provided on cost or revalued amounts in equal annual instalments over the estimated lives of the assets which are as follows:

Freehold buildings	15 years
Plant and machinery	5 to 15 years
Motor vehicles	4 years
Equipment, fixtures and fittings	3 to 10 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Grants received

Grants received relating to tangible fixed assets are treated as a deferred credit and are released to the profit and loss account in equal instalments over the estimated useful economic life of the assets concerned.

**2. INFORMATION REGARDING DIRECTORS
 AND EMPLOYEES**

	1995 £	1994 £
Employee costs during the year:		
Wages and salaries	343,099	338,814
Social security costs	26,618	29,275
Other pension costs	936	-
	<u>370,653</u>	<u>368,089</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

**2. INFORMATION REGARDING DIRECTORS
AND EMPLOYEES (continued)**

	1995	1994
	No	No
Average number of persons employed:		
Production	30	29
Administration	4	4
Laboratory	2	3
	<u>36</u>	<u>36</u>

The directors are directors of the parent company, Perimax Meat Company Limited. The directors received total remuneration of £82,166 (1994: £81,945) from Perimax Meat Company Limited during the year but it is not practicable to allocate this between their services as directors of Perimax Meat Company and their services as directors of Perimax (Scotland) Limited.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995	1994
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and other amounts written off tangible and intangible fixed assets; own assets	108,836	113,143
Research and development	210	1,948
Auditors' remuneration	<u>3,380</u>	<u>2,890</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995	1994
	£	£
United Kingdom corporation tax at 33% (1994: 33%) based on the profit for the year	168,000	207,000
Deferred taxation	(10,380)	(313)
Adjustment in respect of prior years	<u>(546)</u>	<u>(1,285)</u>
	<u>157,074</u>	<u>205,402</u>

5. DIVIDENDS

	1995	1994
	£	£
Final proposed - 390p per ordinary share (1994: £Nil)	<u>390,000</u>	<u>-</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Equipment, fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 1995	412,116	913,323	34,177	11,210	1,370,826
Additions	1,040	1,531	80	-	2,651
Disposals	-	-	(1,000)	-	(1,000)
At 31 December 1995	413,156	914,854	33,257	11,210	1,372,477
 At valuation	 275,000	 -	 -	 -	 275,000
At cost	138,156	914,854	33,257	11,210	1,097,477
	<u>413,156</u>	<u>914,854</u>	<u>33,257</u>	<u>11,210</u>	<u>1,372,477</u>
Accumulated depreciation					
At 1 January 1995	154,586	613,209	24,212	5,103	797,110
Provisions	24,629	76,627	3,785	3,795	108,836
Disposals	-	-	(1,000)	-	(1,000)
At 31 December 1995	179,215	689,836	26,997	8,898	904,946
Net book value					
At 31 December 1995	233,941	225,018	6,260	2,312	467,531
	<u>233,941</u>	<u>225,018</u>	<u>6,260</u>	<u>2,312</u>	<u>467,531</u>
 At 31 December 1994	 257,530	 300,114	 9,965	 6,107	 573,716
	<u>257,530</u>	<u>300,114</u>	<u>9,965</u>	<u>6,107</u>	<u>573,716</u>
Comparable amounts determined according to the historical cost convention					
Cost	623,150	914,854	33,257	11,210	1,583,471
Accumulated depreciation	386,714	689,836	26,997	8,898	1,113,445
Net book value					
At 31 December 1995	236,436	225,018	6,260	2,312	470,026
	<u>236,436</u>	<u>225,018</u>	<u>6,260</u>	<u>2,312</u>	<u>470,026</u>
 At 31 December 1994	 271,766	 300,114	 9,965	 6,107	 587,952
	<u>271,766</u>	<u>300,114</u>	<u>9,965</u>	<u>6,107</u>	<u>587,952</u>

Land and buildings were valued on 31 December 1988 at open market value on the basis of existing use at £275,000.

All other tangible fixed assets are stated at historical cost.

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

7. STOCKS	1995	1994
	£	£
Raw materials	7,663	81
Finished goods	85,652	135,882
	<u>93,315</u>	<u>135,963</u>

There is no material difference between the replacement costs of stocks and their balance sheet value.

8. DEBTORS	1995	1994
	£	£
Amounts due from parent company	1,166,991	819,956
Other debtors	12,989	14,220
Prepayments and accrued income	26,116	24,537
	<u>1,206,096</u>	<u>858,713</u>

9. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY	1995	1994
	£	£
This heading includes:		
Taxation and social security	<u>200,641</u>	<u>216,885</u>

10. ACCRUALS AND DEFERRED INCOME	
This heading includes Government grants:	£
At 1 January 1995	15,591
Released to profit and loss account	<u>(2,810)</u>
At 31 December 1995	<u>12,781</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

11. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation	£
Balance at 1 January 1995	59,288
Current year credit to profit and loss account	(10,380)
Adjustment in respect of prior years	(5,853)
Balance at 31 December 1995	<u>43,055</u>

The amounts of deferred taxation provided and unprovided in the accounts are:

	Provided		Unprovided	
	1995	1994	1995	1994
	£	£	£	£
Capital allowances in excess of depreciation	<u>43,055</u>	<u>59,288</u>	<u>-</u>	<u>-</u>

12. SHARE CAPITAL

	1995	1994
	£	£
Authorised, allotted and fully paid Ordinary shares of £1	<u>100,000</u>	<u>100,000</u>

13. RESERVES

Profit and loss account	£
At 1 January 1995	955,323
Retained loss for the year	(88,752)
At 31 December 1995	<u>866,571</u>

There have been no movements in shareholders' funds other than the retained loss for the year, and accordingly no reconciliation of movements in shareholders' funds is included in these accounts.

14. ULTIMATE PARENT COMPANY

The immediate parent company is Perimax Meat Company Limited which is registered in England and Wales. A copy of its accounts can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

The ultimate parent company is Compagnie Financiere de Paribas, which is incorporated in France.