

REGISTERED

Company Registration No. 87013 (Scotland)

PATAK'S FROZEN FOODS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 28 SEPTEMBER 2003

JOHN CUMMING ROSS
CHARTERED CERTIFIED ACCOUNTANTS
150 STRAND
LONDON WC2R 1JA



PATAK'S FROZEN FOODS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Mr K K Pathak Mr N K Pathak Mr D A Page |
| Secretary | Mr J H Pattni |
| Company number | 87013 |
| Registered office | West Pitkerro Dundee Tayside DD5 3RZ |
| Auditors | John Cumming Ross Chartered Certified Accountants 150 Strand WC2R 1JA |
| Bankers | National Westminster Bank Plc 4 Standishgate Wigan Lancs WN1 1UJ |
| Solicitors | Bishop & Sewell 32 Bloomsbury Street London WC1B 3QJ |

PATAK'S FROZEN FOODS LIMITED

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PATAK'S FROZEN FOODS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2003

The directors present their report and financial statements for the year ended 28 September 2003.

Principal activities and review of the business

The principal activity of the company was the production and marketing of frozen ready meals.

The company's balance sheet as detailed on page 5 shows a satisfactory position, shareholders' funds amounting to £1,291,940.

Results and dividends

The results for the year are set out on page 4. The directors do not recommend payment of an ordinary dividend.

Research and development

The amount of expenditure written off in the year is set out in note 2 to the financial statements.

Directors

The following directors have held office since 30 September 2002:

Mr K K Pathak
Mr N K Pathak
Mr D A Page

In accordance with the company's Articles of Association, Mr K K Pathak retires by rotation and, being eligible, offers himself for re-election.

Directors' interests

The directors' interests in the shares of the company were as stated below:

| | Ordinary shares of £ 1 each | |
|---------------|-----------------------------|-------------------|
| | 28 September 2003 | 30 September 2002 |
| Mr K K Pathak | - | - |
| Mr N K Pathak | - | - |
| Mr D A Page | - | - |

No directors had a beneficial interest in the share capital of the company at 28 September 2003. The interests of the directors, Mr K K Pathak and Mr N K Pathak, who are also directors of the ultimate parent undertaking in share capital of Worldwing Investments Limited are as follows:

| | 'A' Ordinary shares of £1 each | |
|---------------|--------------------------------|-------------------|
| | 28 September 2003 | 30 September 2002 |
| Mr K K Pathak | 12,255 | 12,255 |
| Mr N K Pathak | 12,000 | 12,000 |

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that John Cumming Ross be reappointed as auditors of the company will be put to the Annual General Meeting.

PATAK'S FROZEN FOODS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 28 SEPTEMBER 2003

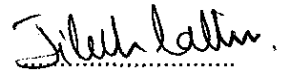
Directors' responsibilities

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 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.

By order of the board



Mr J H Pattni

Secretary

West Pitkerro

Dundee

Tayside

DD5 3RZ

30.06.04

PATAK'S FROZEN FOODS LIMITED

INDEPENDENT AUDITORS' REPORT TO PATAK'S FROZEN FOODS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 13, together with the financial statements of the company for the year ended 28 September 2003 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 13 are properly prepared in accordance with that provision.



John Cumming Ross

Chartered Certified Accountants & Registered Auditors

150 Strand

London WC2R 1JA

9th July 2004

PATAK'S FROZEN FOODS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 SEPTEMBER 2003

| | Notes | 2003 £ | 2002 £ |
|--|-----------|-----------------------|-----------------------|
| Gross profit | | 1,373,332 | 1,420,417 |
| Administrative expenses | | (993,576) | (904,597) |
| Other operating income | | 11,852 | - |
| Operating profit | 2 | <u>391,608</u> | <u>515,820</u> |
| Other interest receivable and similar income | | 149 | 2,911 |
| Interest payable and similar charges | 3 | <u>(36,911)</u> | <u>(65,950)</u> |
| Profit on ordinary activities before taxation | | 354,846 | 452,781 |
| Tax on profit on ordinary activities | 4 | <u>(180,143)</u> | <u>(126,616)</u> |
| Profit on ordinary activities after taxation | 13 | <u><u>174,703</u></u> | <u><u>326,165</u></u> |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

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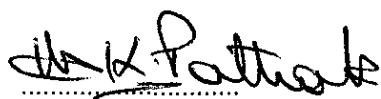
PATAK'S FROZEN FOODS LIMITED

ABBREVIATED BALANCE SHEET AS AT 28 SEPTEMBER 2003

| | Notes | 2003 £ | £ | 2002 £ | £ |
|---|-------|--------------------|---|--------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 5 | 1,449,277 | | 1,572,635 | |
| Current assets | | | | | |
| Stocks | 6 | 984,543 | | 1,238,816 | |
| Debtors | 7 | 1,509,801 | | 1,765,026 | |
| Cash at bank and in hand | | 980 | | 926 | |
| | | <u>2,495,324</u> | | <u>3,004,768</u> | |
| Creditors: amounts falling due within one year | 8 | <u>(2,259,512)</u> | | <u>(3,166,857)</u> | |
| Net current assets/(liabilities) | | <u>235,812</u> | | <u>(162,089)</u> | |
| Total assets less current liabilities | | <u>1,685,089</u> | | <u>1,410,546</u> | |
| Provisions for liabilities and charges | 9 | <u>(185,834)</u> | | <u>(68,598)</u> | |
| Accruals and deferred income | 10 | <u>(207,315)</u> | | <u>(224,711)</u> | |
| | | <u>1,291,940</u> | | <u>1,117,237</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 12 | 350,000 | | 350,000 | |
| Profit and loss account | 13 | 941,940 | | 767,237 | |
| Shareholders' funds - equity interests | 14 | <u>1,291,940</u> | | <u>1,117,237</u> | |

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 30 June 2004



Mr K K Pathak
Director

PATAK'S FROZEN FOODS LIMITED

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NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 28 SEPTEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---------------------------------|---------------|
| Leasehold building improvements | 10 - 25 years |
| Plant and equipment | 2 - 10 years |

1.5 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stocks and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal. Cost represents materials, direct labour and appropriate production overheads.

1.7 Pensions

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates 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 are taken to profit and loss account.

PATAK'S FROZEN FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 SEPTEMBER 2003

1 Accounting policies

(continued)

1.10 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

| 2 Operating profit | 2003 £ | 2002 £ |
|---|-------------------|-------------------|
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 241,205 | 249,457 |
| Research and development | 3,939 | 3,430 |
| Operating lease rentals | | |
| - Land and buildings | 109,500 | 109,500 |
| - Other assets | 20,496 | 28,756 |
| Loss on foreign exchange | 55 | 286 |
| Auditors' remuneration | 16,000 | 18,242 |
| Remuneration of auditors for non-audit work | 4,950 | 3,385 |
| | <u> </u> | <u> </u> |
| and after crediting: | | |
| Profit on sale of assets | 4,698 | - |
| | <u> </u> | <u> </u> |

| 3 Interest payable | 2003 £ | 2002 £ |
|--------------------|-------------------|-------------------|
| Bank interest | 36,911 | 65,950 |
| | <u> </u> | <u> </u> |

PATAK'S FROZEN FOODS LIMITED

REGISTERED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 SEPTEMBER 2003

| 4 | Taxation | 2003 £ | 2002 £ |
|---|---|-----------|-----------|
| | Domestic current year tax | | |
| | U.K. corporation tax | 118,438 | 58,018 |
| | Adjustment for prior years | (55,531) | - |
| | Current tax charge | 62,907 | 58,018 |
| | Deferred tax | | |
| | Deferred tax charge/credit current year | 117,236 | 68,598 |
| | | 180,143 | 126,616 |
| | Factors affecting the tax charge for the year | | |
| | Profit on ordinary activities before taxation | 354,846 | 452,781 |
| | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2002 : 30.00%) | 106,454 | 135,834 |
| | Effects of: | | |
| | Non deductible expenses | 2,563 | 1,787 |
| | Depreciation add back | 72,362 | 74,837 |
| | Capital allowances | (56,064) | (78,433) |
| | Tax losses utilised | - | (72,153) |
| | Adjustments to previous periods | (55,531) | - |
| | Other tax adjustments | (6,877) | (3,854) |
| | | (43,547) | (77,816) |
| | Current tax charge | 62,907 | 58,018 |

PATAK'S FROZEN FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 SEPTEMBER 2003

5 Tangible fixed assets

| | Short leasehold improvements | Plant and equipment | Total |
|-----------------------|------------------------------------|------------------------|-----------|
| | £ | £ | £ |
| Cost | | | |
| At 30 September 2002 | 1,318,337 | 2,302,482 | 3,620,819 |
| Additions | 7,992 | 109,855 | 117,847 |
| Disposals | - | (79,157) | (79,157) |
| At 28 September 2003 | 1,326,329 | 2,333,180 | 3,659,509 |
| Depreciation | | | |
| At 30 September 2002 | 654,513 | 1,393,671 | 2,048,184 |
| On disposals | - | (79,157) | (79,157) |
| Charge for the year | 52,735 | 188,470 | 241,205 |
| At 28 September 2003 | 707,248 | 1,502,984 | 2,210,232 |
| Net book value | | | |
| At 28 September 2003 | 619,081 | 830,196 | 1,449,277 |
| At 29 September 2002 | 663,824 | 908,811 | 1,572,635 |

6 Stocks and work in progress

| | 2003 £ | 2002 £ |
|------------------|-----------|-----------|
| Raw materials | 182,207 | 208,543 |
| Work in progress | 36,035 | 99,810 |
| Finished goods | 766,301 | 930,463 |
| | 984,543 | 1,238,816 |

There were no significant differences between the replacement cost and the values shown for the stock categories.

7 Debtors

| | 2003 £ | 2002 £ |
|------------------------------------|-----------|-----------|
| Trade debtors | 1,296,618 | 1,540,642 |
| Amounts owed by group undertakings | 16,694 | - |
| Other debtors | 160,880 | 170,518 |
| Prepayments and accrued income | 35,609 | 53,866 |
| | 1,509,801 | 1,765,026 |

PATAK'S FROZEN FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 SEPTEMBER 2003

| 8 Creditors: amounts falling due within one year | 2003 £ | 2002 £ |
|--|------------------|------------------|
| Bank overdrafts | 515,394 | 1,150,698 |
| Trade creditors | 912,478 | 1,223,923 |
| Amounts owed to group undertakings | 20,792 | 80,336 |
| Corporation tax | 118,438 | 58,018 |
| Other taxes and social security costs | 33,421 | 32,386 |
| Other creditors | 108,820 | 109,612 |
| Accruals and deferred income | 550,169 | 511,884 |
| | <u>2,259,512</u> | <u>3,166,857</u> |

The bank overdrafts are secured by a debenture over the assets of the company. There is also a composite guarantee between the company, its parent undertaking Patak's Foods Limited, group undertakings Patak (Spices) Limited, NW Property Finance Limited, Patak's Breads Limited, Ebor Estates Limited and its ultimate parent undertaking Worldwing Investments Limited.

9 Provisions for liabilities and charges

| | Deferred taxation £ |
|------------------------------|---------------------------|
| Balance at 30 September 2002 | 68,598 |
| Profit and loss account | 117,236 |
| | <u>185,834</u> |
| Balance at 28 September 2003 | <u>185,834</u> |

The deferred tax liability is made up as follows:

| | 2003 £ | 2002 £ |
|--------------------------------|----------------|---------------|
| Accelerated capital allowances | <u>185,834</u> | <u>68,598</u> |

PATAK'S FROZEN FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 SEPTEMBER 2003

10 Accruals and deferred income

| | Government grants £ |
|---------------------------------|---------------------------|
| Balance at 30 September 2002 | 260,933 |
| Grants received during the year | 20,000 |
| Annual release | (38,222) |
| Balance at 28 September 2003 | <u>242,711</u> |
| Due within one year | 35,396 |
| Due after more than one year | <u>207,315</u> |
| Balance at 28 September 2003 | <u>242,711</u> |

11 Pension costs

The company operates a group personal pension scheme for its employees. The pension cost charge represents contributions payable directly to each member's policy, based on the member's annual salary, by the company. At the balance sheet date there were no outstanding or prepaid contributions (2002: nil).

| 12 Share capital | 2003 £ | 2002 £ |
|---|----------------|----------------|
| Authorised | | |
| Equity shares | | |
| 500,000 Ordinary shares of £ 1 each | <u>500,000</u> | <u>500,000</u> |
| Allotted, called up and fully paid | | |
| Equity shares | | |
| 350,000 Ordinary shares of £ 1 each | <u>350,000</u> | <u>350,000</u> |

PATAK'S FROZEN FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 SEPTEMBER 2003

13 Statement of movements on profit and loss account

| | Profit and loss account £ |
|------------------------------|---------------------------------|
| Balance at 30 September 2002 | 767,237 |
| Profit for the year | 174,703 |
| Balance at 28 September 2003 | <u>941,940</u> |

14 Reconciliation of movements in shareholders' funds

| | 2003 £ | 2002 £ |
|-------------------------------|------------------|------------------|
| Profit for the financial year | 174,703 | 326,165 |
| Opening shareholders' funds | <u>1,117,237</u> | <u>791,072</u> |
| Closing shareholders' funds | <u>1,291,940</u> | <u>1,117,237</u> |

15 Contingent liabilities and guarantees

As at the balance sheet date, there is a guarantee given to the bank for £12,754,987 in favour of its parent undertaking Patak's Foods Limited, group undertakings Patak (Spices) Limited, NW Property Finance Limited, Patak's Breads Limited, Ebor Estates Limited and its ultimate parent undertaking Worldwing Investments Limited.

There is a contingent liability of £50,000 in respect of the grant received under the Invest for Growth scheme from the Scottish Executive, which is repayable in future if the company does not achieve certain job targets and it ceases to own or use the assets for the purposes of the project. The directors are confident the targets will be met and the assets will remain in use, and in their opinion the requirement to repay the grant is unlikely to arise.

16 Financial commitments

At 28 September 2003 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|----------------------------|-----------------------|----------------|---------------|---------------|
| | 2003 £ | 2002 £ | 2003 £ | 2002 £ |
| Expiry date: | | | | |
| Within one year | - | - | 5,240 | 12,748 |
| Between two and five years | - | - | 17,539 | 14,279 |
| In over five years | <u>109,500</u> | <u>109,500</u> | <u>-</u> | <u>-</u> |
| | <u>109,500</u> | <u>109,500</u> | <u>22,779</u> | <u>27,027</u> |

PATAK'S FROZEN FOODS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 SEPTEMBER 2003

| 17 Capital commitments | 2003 £ | 2002 £ |
|------------------------|-----------|-----------|
|------------------------|-----------|-----------|

At 28 September 2003 the company had capital commitments as follows:

| | | |
|---|---------------|----------|
| Contracted for but not provided in the financial statements | 92,500 | - |
| | <u>92,500</u> | <u>-</u> |

18 Interest in subsidiary undertaking

The company owns the entire issued share capital, comprising two shares of £1 each, of Freezer Chef Limited which was incorporated on 2 October 1986 and is registered in Scotland. The company has not traded. Group accounts are not produced as Patak's Frozen Foods Limited is itself a wholly owned subsidiary.

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

| | 2003 Number | 2002 Number |
|-----------------------|----------------|----------------|
| Production staff | 108 | 133 |
| Office and management | 10 | 10 |
| Administration staff | 6 | 6 |
| | <u>124</u> | <u>149</u> |

Employment costs

| | £ | £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,508,099 | 1,494,066 |
| Social security costs | 115,025 | 111,914 |
| Pension costs | 46,725 | 34,522 |
| | <u>1,669,849</u> | <u>1,640,502</u> |

20 Ultimate parent undertaking

The company's immediate parent undertaking at the balance sheet date was Patak's Foods Limited, and its ultimate parent undertaking at the balance sheet date was Worldwing Investments Limited, both companies registered in England and Wales.