

Patak's Frozen Foods Limited

FINANCIAL STATEMENTS

for the period ended

5 September 2007

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Patak's Frozen Foods Limited

FINANCIAL STATEMENTS

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Patak's Frozen Foods Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K K Pathak (resigned 5 September 2007)
N K Pathak (resigned 5 September 2007)
D A Page (resigned 31 March 2007)
A Mayhew (appointed 5 September 2007)
S Straub (appointed 5 September 2007)

SECRETARY

J H Pattni (resigned 5 September 2007)
R S Mendelsohn (appointed 5 September 2007)

REGISTERED OFFICE

c/o Miller Samuel LLP
RWF House
5 Renfield Street
Glasgow
G2 5EZ

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
Brazenose House
Lincoln Square
Manchester
M2 5BL

Patak's Frozen Foods Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Patak's Frozen Foods Limited for the period ended 5 September 2007

The accounting period end was changed to 5 September 2007 resulting in an 11 month period. The reason for this change was to bring the period end in line with the completion date of the sale of the Worldwing Investments Limited group, of which this company is a part, to G Costa (Holdings) Limited, a subsidiary of Associated British Foods plc

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the production and marketing of frozen ready meals and snacks

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's balance sheet as detailed on page 7 shows a satisfactory position, shareholders' funds amounting to £766,582

Trading Review

The company's sales have increased by £469,380 over the prior period. Operating profit similarly increased by £562,336 to show an operating profit of £236,443

At the close of business on the balance sheet date, the entire share capital of the company's intermediate parent undertaking, Worldwing Investments Limited was sold to G Costa (Holdings) Limited, a subsidiary of Associated British Foods plc, resulting in a change in the ultimate controlling party of the company

Financial Risk Management

- **Margin Risk**

Competitive pressure in the UK is a continuing risk for the company. The company manages this risk by providing value added products and services to its customers at competitive prices and providing high level of service and quality

- **Credit Risk**

The company is exposed to credit risk on its sales. All financing and liquidity are managed by good internal credit control. Policies are in place to ensure that sales of products are made to customers with appropriate credit history

- **Interest Rate Risk**

The company is financed by a variable rate facility from its bankers and therefore would have exposure to interest rate movements. This risk is managed by regular meetings between the management and the Bank. The company does not presently engage in hedging activities

RESEARCH AND DEVELOPMENT

The company continues work in research and development to introduce new and improved products. The amount of expenditure written off in the year is set out in note 2 to the financial statements

DIVIDENDS

The directors have recommended the following dividends

	2007 £	2006 £
Interim dividend paid on ordinary shares	<u>1,250,000</u>	<u> </u>

Patak's Frozen Foods Limited

DIRECTORS' REPORT

DIRECTORS

The directors who served the company during the period were as follows

K K Pathak	(resigned 5 September 2007)
D A Page	(resigned 31 March 2007)
N K Pathak	(resigned 5 September 2007)

The following directors were appointed to the company on the balance sheet date as a result of the change in ultimate controlling party

A Mayhew	(appointed 5 September 2007)
S Straub	(appointed 5 September 2007)

AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Registered office
c/o Miller Samuel LLP
RWF House
5 Renfield Street
Glasgow
G2 5EZ

By order of the board



S Straub

Director

4/7/08

Patak's Frozen Foods Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 requirements of 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PATAK'S FROZEN FOODS LIMITED

We have audited the financial statements on pages 6 to 16

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 5 September 2007 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.


BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
Brazenose House
Lincoln Square
Manchester M2 5BL

4 July 2008

Patak's Frozen Foods Limited

PROFIT AND LOSS ACCOUNT

for the eleven month period to 5 September 2007

		Period ended 5 September 2007	Year ended 30 September 2006
	Notes	£	£
TURNOVER	1	6,597,045	6,127,665
Cost of sales		<u>5,642,780</u>	<u>5,401,555</u>
Gross profit		954,265	726,110
Administrative expenses		<u>717,822</u>	<u>1,043,228</u>
OPERATING PROFIT/(LOSS)	2	236,443	(317,118)
Interest payable and similar charges	4	70,695	79,470
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>165,748</u>	<u>(396,588)</u>
Taxation	5	4,430	(39,401)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	20	<u>161,318</u>	<u>(357,187)</u>

The operating profit/(loss) for the period/ year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

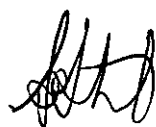
Patak's Frozen Foods Limited

BALANCE SHEET

5 September 2007

	Notes	5 September 2007 £	30 September 2006 £
FIXED ASSETS			
Tangible assets	7	<u>2,466,697</u>	<u>2,720,403</u>
CURRENT ASSETS			
Stocks	8	800,293	393,161
Debtors	9	1,183,787	1,314,295
Cash at bank and in hand		566	963,615
		<u>1,984,646</u>	<u>2,671,071</u>
CREDITORS			
Amounts falling due within one year	10	<u>2,449,913</u>	<u>2,133,845</u>
NET CURRENT (LIABILITIES)/ ASSETS		<u>(465,267)</u>	<u>537,226</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,001,430</u>	<u>3,257,629</u>
CREDITORS			
Amounts falling due after more than one year	11	<u>1,062,500</u>	<u>1,212,500</u>
		<u>938,930</u>	<u>2,045,129</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	14	35,403	35,045
Accruals and deferred income	15	<u>136,945</u>	<u>154,820</u>
		<u>766,582</u>	<u>1,855,264</u>
CAPITAL AND RESERVES			
Called up equity share capital	19	350,000	350,000
Profit and loss account	20	416,582	1,505,264
SHAREHOLDERS' FUNDS	21	<u>766,582</u>	<u>1,855,264</u>

These financial statements were approved by the board of directors and authorised for issue on 4 July 2008 and are signed on their behalf by



Mr S Straub
Director

Patak's Frozen Foods Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

GOING CONCERN

In January 2008, the directors took the decision to cease the trade of the company. The company subsequently ceased to trade on 31 March 2008. These accounts are presented on a going concern basis on the basis that this is not materially different to a break up basis.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent company publishes a consolidated cash flow statement.

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced for goods delivered during the period, excluding value added tax.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property and Improvements	4% straight line
Plant & Machinery	10-25% straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods where events or circumstances indicate that the carrying value may not be recoverable.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for slow moving and obsolete items. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less estimated cost of disposal. Cost represents materials, direct labour and appropriate production overheads.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

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

Patak's Frozen Foods Limited

ACCOUNTING POLICIES

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non discounted basis.

FOREIGN CURRENCIES

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

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.

Patak's Frozen Foods Limited

ACCOUNTING POLICIES

1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2007	2006
	£	£
United Kingdom	6,366,280	5,909,655
Rest Of The World	230,765	218,010
	<u>6,597,045</u>	<u>6,127,665</u>

2 OPERATING PROFIT/ (LOSS)

Operating profit is stated after charging/ (crediting)

	2007	2006
	£	£
Amortisation of government grants	(17,875)	(19,500)
Research and development expenditure written off	7,532	7,708
Depreciation of owned fixed assets	257,857	269,079
Auditors' remuneration		
as auditors	25,800	25,000
for other services	3,000	3,000
Operating lease costs		
Other	51,876	19,234
Net loss on foreign currency translation	<u>704</u>	<u>30</u>

3 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to

	2007	2006
	No	No
Production staff	56	55
Administrative staff	15	13
Office and management staff	7	8
	<u>78</u>	<u>76</u>

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	1,081,054	939,635
Social security costs	89,691	86,101
Other pension costs	37,660	37,277
	<u>1,208,405</u>	<u>1,063,013</u>

No disclosure has been made of directors' remuneration for the financial year as this is paid through the parent company, AB World Foods Limited

Patak's Frozen Foods Limited

ACCOUNTING POLICIES

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Interest payable on bank borrowing	<u>70,695</u>	<u>79,470</u>

5 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	2007	2006
	£	£
Current tax		
In respect of the period		
UK Corporation tax based on the results for the period at 30% (2006 30%)		
Under/ (over) provision in prior period	<u>4,072</u>	<u>(4,072)</u>
Total current tax	<u>4,072</u>	<u>(4,072)</u>
Deferred tax		
Origination and reversal of timing differences	358	(24,879)
(Over)/ under provision relating to prior periods	<u> </u>	<u>(10,450)</u>
Total deferred tax (note 14)	<u>358</u>	<u>(35,329)</u>
Tax on profit on ordinary activities	<u>4,430</u>	<u>(39,401)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/ (loss) on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30% (2006 30%)

	2007	2006
	£	£
Profit/(loss) on ordinary activities before taxation	<u>165,748</u>	<u>(396,588)</u>
Profit/(loss) on ordinary activities by rate of tax	49,724	(118,976)
Expenses not deductible for tax purposes	30,522	32,704
Capital allowances in excess of depreciation	(45,194)	(61,407)
Group relief	(35,052)	61,394
Adjustments to tax charge in respect of previous periods	4,072	(4,072)
Unrelieved tax losses and other deductions arising in the period	<u> </u>	<u>86,285</u>
Total current tax (note 5(a))	<u>4,072</u>	<u>(4,072)</u>

6 DIVIDENDS

The following dividends have been paid in respect of the period

	2007	2006
	£	£
Dividend paid on ordinary shares	<u>1,250,000</u>	<u> </u>

Patak's Frozen Foods Limited

ACCOUNTING POLICIES

7 TANGIBLE FIXED ASSETS

	Freehold Property and improvements £	Plant & Machinery £	Total £
Cost			
At 30 September 2006	2,961,484	2,765,645	5,727,129
Additions		4,151	4,151
At 5 September 2007	<u>2,961,484</u>	<u>2,769,796</u>	<u>5,731,280</u>
Depreciation			
At 30 September 2006	913,821	2,092,905	3,006,726
Charge for the year	96,077	161,780	257,857
At 5 September 2007	<u>1,009,898</u>	<u>2,254,685</u>	<u>3,264,583</u>
Net book value			
At 5 September 2007	<u>1,951,586</u>	<u>515,111</u>	<u>2,466,697</u>
At 30 September 2006	<u>2,047,663</u>	<u>672,740</u>	<u>2,720,403</u>

8 STOCKS

	5 September 2007 £	30 September 2006 £
Raw materials & packaging	147,256	127,098
Work in progress	15,586	40,845
Finished goods	637,451	225,218
	<u>800,293</u>	<u>393,161</u>

9 DEBTORS

	5 September 2007 £	30 September 2006 £
Trade debtors	1,079,678	1,165,647
Amounts owed by group undertakings		3,264
Other debtors	48,815	70,002
Prepayments and accrued income	55,294	75,382
	<u>1,183,787</u>	<u>1,314,295</u>

Patak's Frozen Foods Limited

ACCOUNTING POLICIES

10 CREDITORS Amounts falling due within one year

	5 September 2007	30 September 2006
	£	£
Bank loans and overdrafts	418,919	150,000
Trade creditors	724,934	740,029
Amounts owed to group undertakings	153,376	43,853
Other taxes and social security	46,927	27,766
Other creditors	523	8,156
Accruals and deferred income	1,105,234	1,164,041
	<u>2,449,913</u>	<u>2,133,845</u>

11 CREDITORS Amounts falling due after more than one year

	5 September 2007	30 September 2006
	£	£
Bank loans	<u>1,062,500</u>	<u>1,212,500</u>

The bank loans and overdrafts are secured by a floating debenture over land and buildings known as Industrial Unit, West Pitkerro Industrial Estate, Dundee, Tayside

12 LOANS

Creditors includes a bank loan which is due for repayment as follows

	5 September 2007	30 September 2006
	£	£
Amounts repayable		
Within one year	150,000	150,000
In more than one year but not more than two years	150,000	150,000
In more than two years but not more than five years	450,000	450,000
In more than five years	462,500	612,500
	<u>1,212,500</u>	<u>1,362,500</u>

The bank loan of £1,212,500 is repayable by monthly instalments and bears interest at 1% per annum over the bank base rate

13 PENSIONS

The company operates a group personal pension scheme for its members. The pension cost charge represents contributions payable to each member's policy, based on their annual salary, by the company. At the balance sheet date there were outstanding pension contributions of £2,141 (2006 £2,210) included within Other Creditors. There were no prepaid contributions at the balance sheet date (2006 £nil).

Patak's Frozen Foods Limited

ACCOUNTING POLICIES

14 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Period ended 5 September 2007	Year ended 30 September ended 2006
	£	£
Provision brought forward	35,045	70,374
Profit and loss account movement arising during the period	358	(35,329)
Provision carried forward	<u>35,403</u>	<u>35,045</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	5 September 2007	30 September 2006
	£	£
Excess of taxation allowances over depreciation on fixed assets	35,403	35,045
	<u>35,403</u>	<u>35,045</u>

15 GOVERNMENT GRANTS

	Period ended 5 September 2007	Year ended 30 September ended 2006
	£	£
Deferred income brought forward	154,820	174,320
Released in period	(17,875)	(19,500)
Deferred income carried forward	<u>136,945</u>	<u>154,820</u>

16 COMMITMENTS UNDER OPERATING LEASES

At the balance sheet date the company had annual commitments under non cancellable operating leases as set out below

	5 September 2007	30 September 2006
	Other £	Other £
Operating leases which expire		
Within 1 year	24,165	10,201
Within 2 to 5 years	27,711	9,033
	<u>51,876</u>	<u>19,234</u>

Patak's Frozen Foods Limited

ACCOUNTING POLICIES

17 CONTINGENT LIABILITIES

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 assets for the purpose of the project

At the balance sheet date, there is a guarantee given to the bank in respect of liabilities incurred by members of the Worldwing Investments Limited Group. The amount outstanding at 5 September 2007 was £16,116,743

18 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent undertaking

19 SHARE CAPITAL

	5 September 2007 £	30 September 2006 £
Authorised		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
	5 September 2007 £	30 September 2006 £
Allotted, called up and fully paid		
350,000 Ordinary shares of £1 each	<u>350,000</u>	<u>350,000</u>

20 PROFIT AND LOSS ACCOUNT

	Period ended 5 September 2007 £	Year ended 30 September ended 2006 £
Profit and loss account brought forward	1,505,264	1,862,451
Retained profit/ (loss) for the financial period	161,318	(357,187)
Dividends	<u>(1,250,000)</u>	
Profit and loss account carried forward	<u>416,582</u>	<u>1,505,264</u>

Patak's Frozen Foods Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period to 5 September 2007

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Period ended 5 September 2007 £	Year ended 30 September ended 2006 £
Profit/(loss) for the financial period	161,318	(357,187)
Dividends	(1,250,000)	
	<u>(1,088,682)</u>	<u>(357,187)</u>
Opening shareholders' equity funds	1,855,264	2,212,451
Closing shareholders' equity funds	<u>766,582</u>	<u>1,855,264</u>

22 INTEREST IN SUBSIDIARY UNDERTAKING

The company owns the entire issued share capital, comprising 2 shares of £1 each, of Freezer Chef Limited which was incorporated on 2 October 1986 and is registered in Scotland. Freezer Chef Limited has not traded. Group accounts are not produced as Patak's Frozen Foods Limited is itself a wholly owned subsidiary and consolidated financial statements are prepared by Worldwing Investments Limited for the period ended 5 September 2007.

23 ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking during the period was Worldwing Investments Limited, a company registered in England and Wales. Consolidated group financial statements for the period ended 5 September 2007 are prepared by Worldwing Investments Limited and are available from Companies House, Cardiff.

On the balance sheet date, the entire share capital of Worldwing Investments Limited was sold to G Costa (Holdings) Limited, a subsidiary of Associated British Foods Plc resulting in a change in the ultimate controlling party of the company. The ultimate controlling party is now Wittington Investments Limited, the accounts of which are available at Companies House, Crown Way, Cardiff, CF14 3UZ. It is incorporated in Great Britain and registered in England.