

WT Foods Limited

Directors' report and financial statements
31 March 2007

Registered number 0094632



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	3
Independent auditors' report to the members of WT Foods Limited	0
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2007

Principal activities

The company's principal activity during the year was that of a holding company and provider of management services

Business review

The directors are satisfied with the results for the year. The loss for the year, after taxation and dividends, amounted to (£5,252,000) (2006 £40,021,000)

Acquisition by the GraceKennedy group

On 28 February 2007 the shareholders of the parent company WT (Holdings) Limited sold their 100% interest to GK Foods (UK) Limited, part of the GraceKennedy group of companies based in Jamaica. The proceeds of the sale were partly used to repay all of the Group loan facilities including the remainder of the outstanding unsecured loan stock.

Principal Risks and Uncertainties

The management of the business and the execution of the company's strategy is subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to competition within both retail and independent sectors, margin pressures from customers, and adverse weather conditions over the summer months.

Key Performance Indicators ("KPI's")

Although some of the types of KPI's within the Group are generic across the business, for example the measurement of service levels and stock days, the directors of WT Foods Limited tend to manage the Group's operations on a divisional basis. For this reason, the company's directors believe that analysis using KPI's for the company, other than those above is not necessary or appropriate for an understanding of the development, performance or position of WT Foods Limited.

Dividends

The directors have paid an ordinary dividend in respect of the current financial year of £nil (2006 £60,500,000)

Directors and directors' interests

The directors who at head office during the year were as follows

JE Brennan	
SA Boyd	(resigned 28/02/07)
E M Burton	(appointed 28/02/07)
S L Lankage	(appointed 28/02/07)
CR Sharpe	(resigned 28/02/07)

The interests and rights to subscribe to the shares and debentures of the ultimate parent company for, E Burton, S Lankage, are disclosed in the accounts of WT (Holdings) Limited.

Employees

The directors give full and fair consideration for all applications for employment. They are committed to ongoing training and career development of employees.

The directors attach a high priority to maintaining communications with all employees and encouraging a common awareness of the financial and economic factors affecting the company. Regular meetings are held with senior

Directors' report *(continued)*

management and employees' representatives, so that their views can be taken into account on matters concerning them

The company's policy is to keep employees informed of events relevant to their employment. Safety matters are the subject of detailed consultation with employees' representatives

It is the policy of the company to offer to disabled persons, having regard to their particular abilities, the same training, career development and promotion prospects as are available to other employees

Political and charitable donations

The company made no political or charitable contributions during the year (2006 £nil)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

On 28 February 2007, KPMG LLP resigned as auditors and PricewaterhouseCoopers LLP were appointed to fill the vacancy

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



A R Martin
Secretary

WT House
Bessemer Road
Welwyn Garden City
Hertfordshire
AL7 1HT

17/1/08

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of WT Foods Limited

We have audited the financial statements of WT Foods Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

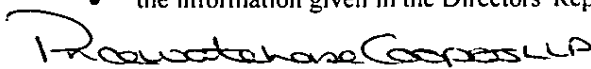
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 as at 31 March 2007 and of its loss for the year then ended,
- the financial statements 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.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
St Albans

18 January 2008

Profit and loss account
for year ended 31 March 2007

	Note	£000	2007 £000 Exceptional costs	£000	£000	2006 £000 Exceptional costs	£000
Other operating income		2,897	-	2,897	-	-	-
Other operating charges		-	-	-	(970)	-	(970)
Other external charges		(326)	(506)	(832)	(540)	(125)	(665)
Staff costs	4	(1,964)	-	(1,964)	(808)	-	(808)
		<u>607</u>	<u>(506)</u>	<u>101</u>	<u>(2,318)</u>	<u>(125)</u>	<u>(2,443)</u>
Operating profit/(loss)	2			<u>101</u>			<u>(2,443)</u>
Interest receivable and similar income	5			72			352
Interest payable and similar charges	6			(613)			(60)
Profit on sale of investments	9			-			45,353
Amounts written off investments	10			(5,400)			(3,123)
				<u>(5,840)</u>			<u>40,079</u>
(Loss)/profit on ordinary activities before taxation				<u>(5,840)</u>			<u>40,079</u>
Tax on (loss)/profit on ordinary activities	7			588			(58)
				<u>(5,252)</u>			<u>40,021</u>
Loss for the financial year				<u>(5,252)</u>			<u>40,021</u>

The notes on pages 7 to 14 form an integral part of the financial statements

There were no other gains or losses other than those passing through the profit and loss account

The results for the current and preceding periods are derived wholly from continuing operations

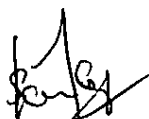
There are no differences between reported profits and historical cost profits for the current year or the preceding year

Balance sheet
at 31 March 2007

	<i>Note</i>	2007 £000	2006 £000
Fixed assets			
Investments	<i>10</i>	14,375	13,975
Current assets			
Debtors	<i>11</i>	34,273	41,210
Cash at bank and in hand		1,884	-
		36,157	41,210
Creditors, amounts falling due within one year	<i>12</i>	(5,037)	(4,438)
Net current assets		31,120	36,772
Total assets less current liabilities		45,495	50,747
Net assets		45,495	50,747
Capital and reserves			
Called up share capital	<i>14</i>	39,938	39,938
Share premium account	<i>15</i>	13,520	13,520
Profit and loss account	<i>15</i>	(7,963)	(2,711)
Shareholders' funds		45,495	50,747

The notes on pages 7-14 form an integral part of the financial statements

These financial statements were approved by the board of directors on 21/1/08 and were signed on its behalf by



Sarath Lankage
Director

Notes to the financial statements

For the year ended 31 March 2007

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

The Company is exempt by virtue of s248 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group

As the company is a wholly owned subsidiary of WT (Holdings) Limited the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account

Notes to the financial statements *(continued)*

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Investments

Investments are stated at cost unless a provision is necessary for any impairment in value. Such provisions are charged to the profit and loss account.

Financial guarantee contracts

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements, and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

2 Operating loss

<i>Operating loss before tax is stated after charging</i>	2007	2006
	£000	£000
Auditors remuneration		
Audit services	35	22
Other services – Tax compliance	34	36
	=====	=====

Notes to the financial statements *(continued)*

3 Remuneration of directors

	2007 £000	2006 £000
Directors' emoluments	304	500
Compensation for loss of office	1,310	94
Company contributions to money purchase pension schemes	46	147
	<u>1,661</u>	<u>741</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £880,000 (2006 £377,000) of which £710,000 related to compensation in respect of loss of office (2006 nil) and company pension contributions of £36,000 (2006 £22,000) were made to a money purchase scheme on his behalf

	2007	2006
Retirement benefits are accruing to the following number of directors		
Money purchase schemes	<u>2</u>	<u>2</u>

4 Staff numbers and costs

The monthly average of persons employed by the company (including Directors) during the year analysed by category was as follows

	2007	2006
Sales and administration	<u>2</u>	<u>3</u>

The aggregate payroll costs of these persons were as follows

	2007 £000	2006 £000
Wages and salaries	1,714	594
Social security costs	204	67
Other pension costs	46	147
	<u>1,964</u>	<u>808</u>

5 Interest receivable and similar income

	2007 £000	2006 £000
Bank interest receivable	<u>72</u>	<u>352</u>

Notes to the financial statements *(continued)*

6 Interest payable and similar charges

	2007 £000	2006 £000
Bank interest payable	137	60
Interest on other loans	356	-
Arrangement fees	120	-
	<u>613</u>	<u>60</u>

7 Tax

(a) Tax on profit on ordinary activities

The tax (credit)/charge is made up as follows

	2007 £000	2006 £000
<i>Current tax</i>		
Current tax on income for the period	-	39
Adjustments in respect of prior periods	(60)	16
	<u>(60)</u>	<u>55</u>
Total current tax (note 7(b))	(60)	55
<i>Deferred tax</i>		
Origination and reversal of timing differences	(528)	3
	<u>(588)</u>	<u>58</u>
Tax (credit)/charge on profit on ordinary activities	(588)	58

b) Factors affecting current tax charge

The tax assessed on the profit of ordinary activities for the year is lower (2006 lower) than the standard rate of corporation tax in the UK of 30% (2006 30%) The differences are reconciled below

	2007 £000	2006 £000
(Loss)/profit on ordinary activities before taxation	(5,840)	40,079
	<u>(1,752)</u>	<u>12,024</u>
Current tax charge at 30% (2006 30%)	(1,752)	12,024
<i>Effects of</i>		
Disallowed expenses and non-taxable income	2,575	(11,983)
Other timing differences	(823)	-
Unrelieved tax losses and other deductions in period	-	(2)
Adjustments in respect of previous periods	(60)	16
	<u>(60)</u>	<u>55</u>
Total current tax charge (note 7(a))	(60)	55

Notes to the financial statements *(continued)*

7 Tax *(continued)*

A number of changes to the UK Corporation tax system were enacted in Finance Act 2007, including the reduction in the UK Corporation tax rate from 30% to 28% with effect from 1 April 2008. Further changes have been announced and are expected to be enacted in Finance Act 2008. These changes had not been substantially enacted as at 31 March 2007 and, therefore, the impact of these changes is not reflected in these financial statements.

c) Deferred tax

	2007 £000	2006 £000
Tax losses carried forward and other deductions	528	-
Deferred taxation asset (note 11)	528	-
	£000	£000
At 1 April 2006	-	3
Profit and loss account movement arising during the year	528	(3)
At 31 March 2007	528	-

8 Dividends

The aggregate amount of dividends comprises

	2007 £000	2006 £000
Aggregate amount of dividends paid in the financial year	-	60,500

9 Profit on sale of investment

In the prior year, the group sold its 100% subsidiary undertaking Noon Group Limited. The profit on sale was £45,353,000.

Notes to the financial statements (continued)

10 Fixed asset investments

	Shares in group companies £000	Unquoted trade Investments £000	Total £000
Cost			
At beginning of year	13,778	197	13,975
Acquisitions	5,800	-	5,800
Impairment	(5,400)	-	(5,400)
	<hr/>	<hr/>	<hr/>
At end of year	14,178	197	14,375
	<hr/>	<hr/>	<hr/>
Provisions			
At beginning and end of the year	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2007	14,178	197	14,375
	<hr/>	<hr/>	<hr/>
At 31 March 2006	13,778	197	13,975
	<hr/>	<hr/>	<hr/>

Unquoted trade investment

The company holds 8% of the share capital of Coco Lands Limited registered in Sri Lanka under a joint venture agreement. Details of the investments in which the company holds 20% or more of the beneficial interest in the nominal value of any class of share capital are as follows:

Principle subsidiary undertakings	% ordinary shares held	Nature of business
Enco Products Limited	100%	Distributor of speciality food
Chadha Oriental Foods Limited	100%	Distributor of oriental food
Funnybones Foodservice Limited	100%	Distributor of American, Cajun and Tex-Mex dishes
WTF Services Limited	100%	Warehousing and distribution services
La Mexicana Quality Foods Limited (formerly Matahari 154 Limited)	100%	Dormant
The Marketing and Advertising Partnership Limited	100%	Dormant
Marlin House Trading Company Limited	100%	Dormant
Rio Pacific Food Services (Holdings) Limited	100%	Holding company
Rio Pacific Food Services Limited	100%	Dormant
Enco Foods (formerly Veeraswamy Limited)	100%	Dormant
Drenning Limited	100%	Dormant

All of the subsidiary undertakings are incorporated in England and Wales.

Notes to the financial statements *(continued)*

11 Debtors

	2007 £000	2006 £000
Amount owed by group undertakings	33,697	41,044
Other debtors	10	153
Prepayments and accrued income	38	13
Deferred taxation (note 7c)	528	-
	<u>34,273</u>	<u>41,210</u>

12 Creditors: amounts falling due within one year

	2007 £000	2006 £000
Bank loans and overdrafts	4,000	3,660
Trade creditors	152	122
Sundry creditors	605	-
Taxation and social security costs	25	329
Accruals and deferred income	255	327
	<u>5,037</u>	<u>4,438</u>

13 Contingent liabilities

At 31 March 2006, the company, together with the parent undertaking and fellow subsidiary undertakings has guaranteed the borrowings of the parent undertaking and other fellow subsidiary undertakings. This guarantee is secured by a fixed and floating charge over the assets of the company. At 31 March 2007, the total borrowings outstanding amounted to £206,000 (2006 £57,368,000).

14 Called up share capital

	2007 £000	2006 £000
<i>Authorised</i>		
Equity 220,386,208 Ordinary shares of £0.25 each	55,096	55,096
6,957,780 Non-voting deferred convertible shares of £0.05 each	348	348
	<u>55,444</u>	<u>55,444</u>
<i>Allotted, called up and fully paid</i>		
Equity 159,753,511 Ordinary shares of £0.25 each	39,938	39,938

Notes to the financial statements *(continued)*

15 Reconciliation of movement in shareholders' funds and on reserves

	Share capital	Share premium accounts	Profit and Loss Accounts	Total Shareholders Funds
At beginning of year	39,938	13,520	(2,711)	50,747
Loss for the year	-	-	(5,252)	(5,252)
Dividends	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	39,938	13,520	(7,963)	45,495
	<hr/>	<hr/>	<hr/>	<hr/>

16 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £46,000 (2006 £ 147,000).

17 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of WT Tiger 3 Limited incorporated in the UK.

On 28 February 2007 the shareholders of the parent company WT (Holdings) Limited sold their 100% interest to GK Foods (UK) Limited, part of the GraceKennedy group of companies based in Jamaica. The largest group in which the results of the company are consolidated is that headed by GraceKennedy Ltd, incorporated in Jamaica. The consolidated accounts of this company are available to the public and may be obtained from Chief Corporate Secretary, GraceKennedy Limited, 73 Harbour Street, Kingston, Jamaica.