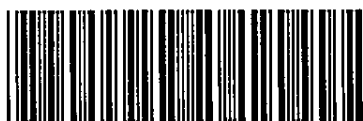


**Grace Foods UK Limited
(formerly WT Foods Limited)**

Directors' report and financial statements
31 December 2009

Registered number 0094632

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

Principal Activities and Business Review

Grace Foods UK Limited's (the "company") principal activity during the year was that of a holding company and provider of management services

On 1 January 2009 all assets and trade were transferred from WTF Services Limited, a fellow group company

The results for the Company show a pre tax loss of £1,241,000 for the year (31 December 2008 £4,151,000 loss)

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 company's holding company in the UK has appointed a firm of internal auditors to carry out a program of audits based upon the company's assessment of its business risks and the internal controls that are currently in place

Financial Risk Management

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee. The policies set by the directors are implemented by the company's finance department

The company has implemented policies that require appropriate checks on potential and existing customers before sales are made. The amount of exposure to any individual customer is subject to a limit which is reassessed periodically by the directors, in conjunction with the company's credit insurers

The company uses interest rate swaps to manage the risk associated with fluctuating interest rates on its' senior debt

Future Outlook

The external commercial environment is expected to remain competitive for 2010. However, the directors remain confident that the company will be able to maintain its current level of performance in the future

The company will face challenges arising from the current economic recession which are expected to continue for the foreseeable future. The directors will maintain policies to adapt to these changing conditions and to ensure the company's long term future alongside receiving the continued support from the ultimate parent company

Key Performance Indicators ("KPI's")

The directors of Grace Foods UK Limited consider profitability, working capital and supply chain performance to be the key KPI's within the Group. The Group's operations are managed on an operating company basis using these KPI's

Directors' report (continued)

Dividends

The directors do not recommend the payment of a dividend (31 December 2008 £nil)

Directors

The directors who held office during the year and up to the date of signing these accounts were as follows

J Brennan
E Burton
S Lankage
M Ranglin

Directors' and officers' liability insurance is provided to the directors of the company by another group company

Employees

The directors give full and fair consideration for all applications for employment. They are committed to on-going 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 management and employees' representatives, so their views can be taken into account on matters concerning them.

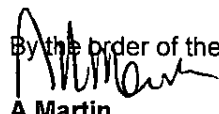
The company's policy is to keep employees informed of events relevant to their employment. Safety matters are the subject of detailed consultation with the employees' representatives.

It is the policy of the company to offer 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 donations during the year (31 December 2008 £nil)

By the order of the board


A Martin
Company secretary

17 December 2010

Grace House
Bessemer Road
Welwyn Garden City
Herts
AL7 1HT

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

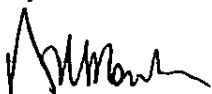
The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to Auditors

Each director in office at the date the directors' report is approved, that

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) 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 the company's auditors are aware of that information.

By the order of the board



A Martin
Company secretary

Grace House
Bessemer Road
Welwyn Garden City
Herts
AL7 1HT

17 December 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE FOODS UK LIMITED (FORMERLY WT FOODS LIMITED)

We have audited the financial statements of Grace Foods UK Limited for the year ended 31 December 2009 which comprise as the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page three the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

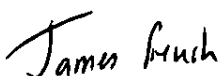
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



James French (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

22 December 2010

Profit and loss account

For the year ended 31 December 2009

	Note	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Other operating income	2	10,635	311
Other external charges		(2,282)	(160)
Staff costs	4	(3,524)	(160)
Depreciation of tangible fixed assets	8	(417)	-
Amounts written off investments	7	(4,915)	(2,942)
Operating loss	2	(503)	(2,951)
Interest payable and other similar charges	5	(738)	(1,200)
Loss on ordinary activities before taxation		(1,241)	(4,151)
Tax on loss on ordinary activities	6	556	819
Loss for the financial year		(685)	(3,332)

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

The results for the current and preceeding year are derived wholly from continuing operations

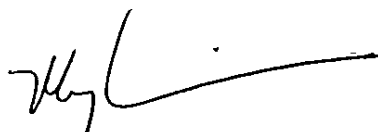
There are no differences between reported profits and historical cost profits for the current or preceeding year

Balance sheet
As at 31 December 2009

	Note	31 December 2009 £'000	31 December 2008 Revised £'000
Fixed assets			
Investments	7	17,018	21,933
Tangible assets	8	<u>2,459</u>	<u>-</u>
		19,477	21,933
Current assets			
Stock	9	37	-
Debtors	10	<u>67,592</u>	<u>69,930</u>
		67,629	69,930
Creditors: amounts falling due within one year	11	<u>(40,399)</u>	<u>(38,989)</u>
Net current assets		27,230	30,941
Total assets less current liabilities		46,707	52,874
Creditors: amounts falling after due after more than one year	12	<u>(3,560)</u>	<u>(9,042)</u>
Net assets		<u>43,147</u>	<u>43,832</u>
Capital and reserves			
Called up share capital	14	39,938	39,938
Share premium	15	13,520	13,520
Profit and loss account	15	<u>(10,311)</u>	<u>(9,626)</u>
Shareholder's funds		<u>43,147</u>	<u>43,832</u>

Certain amounts related to 31 December 2008 have been reclassified for consistency with presentation at 31 December 2009 to more explicitly reflect gross debtor and gross creditor positions with group undertakings. This has no impact on net current assets, net assets or any profit and loss amounts for the accounts.

These financial statements were approved by the board of directors on 17 December 2010 and were signed on its behalf by



M Ranglin
Director

Registered number 0094632

Notes to the financial statements

For the year ended 31 December 2009

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. The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate as the ultimate parent undertaking has agreed to provide sufficient funds for the company to meet its liabilities as they fall due and for at least twelve months. Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of GraceKennedy Limited the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entries which form part of the group. The consolidated financial statements of GraceKennedy Limited, within which this company is included, can be obtained from GraceKennedy Limited, 73 Harbour Street, Kingston, Jamaica.

The principle activity of the company during the year continued to be that of a holding company and provider of management services. Grace Foods UK Limited is a private limited company incorporated and domiciled in England and Wales. The registered address is Grace House, Bessemer Road, Welwyn Garden City, Herts, AL7 1HT.

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 or, if hedged forward, at the rate of exchange under the related forward currency contract. 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.

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.

Notes to the financial statements (continued)

1. Accounting policies (continued)

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.

Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to group companies for distribution and administration services. Sales are recognised at the date on which the services are provided.

Financial guarantee contracts

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

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2 Operating loss	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Operating loss is stated after charging		
Auditors' remuneration		
Audit	27	27
Tax services	26	15
Depreciation of owned tangible fixed assets	417	-
Hire of plant and machinery - rentals payable under operating leases	376	-
Hire of other assets - operating leases	1,023	-
Impairment of investments	4,915	2,942

Other operating income is in respect of operating costs recharged to subsidiary undertakings. In previous years this was done through WTF Services Limited.

Notes to the financial statements (continued)

3. Remuneration of directors

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Directors emoluments	365	163
Company contributions to money purchase pension schemes	33	12
	<u>398</u>	<u>175</u>

	Number of directors 31 December 2009	31 December 2008
Retirement benefits accruing to the following number of directors under Money purchase schemes	<u>3</u>	<u>1</u>

4. Staff numbers and costs

For the year ended 31 December 2009 all staff were transferred from a separate group company, WTF Services Limited, and employed by Grace Foods UK Limited

The aggregate recharged payroll cost was as follows

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Wages and salaries	3,127	132
Social security costs	312	16
Other pension costs	85	12
	<u>3,524</u>	<u>160</u>

	Number of employees 31 December 2009	31 December 2008
Sales and administration	47	-
Distribution	73	-
	<u>120</u>	<u>-</u>

5. Interest payable and other similar charges

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Bank interest payable	689	1,188
Arrangement fees	49	12
	<u>738</u>	<u>1,200</u>

Notes to the financial statements (continued)

6. Taxation

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
a) Analysis of credit in year		
<i>UK corporation tax</i>		
Current tax on income for the year	(725)	(785)
Adjustments in respect of prior years	5	(68)
Total current tax (note 6 (b))	(720)	(853)
Deferred tax		
Origination and reversal of timing differences	164	34
Total deferred tax (see note 6c))	164	34
Tax credit on profit on ordinary activities	(556)	(819)

b) Factors affecting the tax charge for the current year

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 28% (2008 28.5%).

The current tax credit for the year is lower (2008 lower) than the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(1,241)	(4,151)
Current tax at 28% (2008 28.5%)	(348)	(1,183)
<i>Effects of</i>		
Expenses/(income) not deductible/(taxable) for tax purposes	(216)	295
Adjustments to tax charge in respect of previous periods	5	(68)
Accelerated capital allowances	(78)	-
Other timing differences	(83)	103
Total current tax credit (see above)	(720)	(853)

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
c) Deferred tax		
At 31 December 2008	1,360	1,394
Charge/(credit) for the year	164	34
At 31 December 2009	1,196	1,360

Notes to the financial statements (continued)

6. Taxation (cont)

The deferred tax asset at 31 December 2008 and 31 December 2009 relates to tax losses carried forward

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

7. Fixed asset investments

	Shares in group companies £'000	Unquoted trade investments £'000	Total £'000
<i>Cost</i>			
At 1 January 2009	24,678	197	24,875
Acquisitions	-	-	-
At 31 December 2009	<u>24,678</u>	<u>197</u>	<u>24,875</u>
<i>Provisions</i>			
At 1 January 2009	2,942	-	2,942
Impairment in year	4,915	-	4,915
At 31 December 2009	<u>7,857</u>	<u>-</u>	<u>7,857</u>
<i>Net book value</i>			
At 31 December 2009	<u>16,821</u>	<u>197</u>	<u>17,018</u>
At 31 December 2008	<u>21,736</u>	<u>197</u>	<u>21,933</u>

Unquoted trade investment

The company holds 6% of the share capital of Renuka Agrifoods Limited (formerly 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:

Principal 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

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

Notes to the financial statements (continued)

8. Tangible fixed assets

	Short leasehold properties £'000	Plant, equipment, fixtures & fittings £'000	Vehicles £'000	Total £'000
<i>Cost</i>				
At 1 January 2009	-	-	-	-
Additions	-	107	1	108
Transfer from group undertaking	1,942	3,110	72	5,124
Disposals	-	(36)	-	(36)
At 31 December 2009	<u>1,942</u>	<u>3,181</u>	<u>73</u>	<u>5,196</u>
<i>Depreciation</i>				
At 1 January 2009	-	-	-	-
Charged in year	78	337	2	417
Transfer from group undertaking	569	1,711	68	2,348
Disposals	-	(28)	-	(28)
At 31 December 2009	<u>647</u>	<u>2,020</u>	<u>70</u>	<u>2,737</u>
<i>Net book value</i>				
At 31 December 2009	<u>1,295</u>	<u>1,161</u>	<u>3</u>	<u>2,459</u>
At 31 December 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

On 1 January 2009, all assets were transferred from a fellow group company, WTF Services Limited

9. Stocks

	31 December 2009 £'000	31 December 2008 £'000
Consumable stocks	<u>37</u>	<u>-</u>

10. Debtors

	31 December 2009 £'000	31 December 2008 £'000
Amounts owed by group undertakings	65,373	68,446
Prepayments and other accrued income	1,023	124
Deferred taxation (note 6)	1,196	1,360
	<u>67,592</u>	<u>69,930</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

Certain amounts related to 31 December 2008 have been reclassified for consistency with presentation at 31 December 2009 to more explicitly reflect gross debtor and gross creditor positions with group undertakings

Notes to the financial statements (continued)

11. Creditors' amounts falling due within one year	31 December 2009 £'000	31 December 2008 £'000
Bank loans and overdrafts	5,033	4,850
Trade creditors	794	58
Amounts owed to group undertakings	33,881	33,967
Taxation and social security	464	-
Sundry creditors	227	114
	<u>40,399</u>	<u>38,989</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

Certain amounts related to 31 December 2008 have been reclassified for consistency with presentation at 31 December 2009 to more explicitly reflect gross debtor and gross creditor positions with group undertakings

12. Creditors: amounts falling due after one year	31 December 2009 £'000	31 December 2008 £'000
Bank loan	3,540	9,042
Other	<u>20</u>	<u>-</u>
	<u>3,560</u>	<u>9,042</u>
In one year or less	1,320	1,320
In more than one year, but not more than two years	1,320	1,320
In more than two years, but not more than five years	2,220	3,960
In more than five years	<u>-</u>	<u>3,762</u>
	<u>4,860</u>	<u>10,362</u>

£1,320,000 is included within Creditors' amounts falling due within one year as part of bank loans and overdrafts

The bank loan is payable in equal quarterly instalments and carries interest at LIBOR plus 3%

13. Contingent liabilities

At 29 August 2007, the company, together with the parent undertaking and fellow subsidiary undertakings has guaranteed the borrowings of the parent undertaking and other fellow subsidiary undertakings. The guarantee secured by a fixed and floating charge over the assets of the company. At 31 December 2009, the total borrowings outstanding amounted to £12,300,000 (31 December 2008: £14,074,000)

Notes to the financial statements (continued)

14. Called up share capital

	31 December 2009 £'000	31 December 2008 £'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 0.05p each	3	3
	<u>55,099</u>	<u>55,099</u>
<i>Allotted, called up and fully paid</i>		
Equity 159,753,511 ordinary shares of £0.25 each	<u>39,938</u>	<u>39,938</u>

The deferred convertible shares were established in 1997 to enable directors and full-time employees with the group to acquire by subscription or purchase deferred shares which are convertible into ordinary shares upon the attainment of certain performance criteria by the Group. In January 1999, the remuneration committee decided that no further deferred shares would be issued under the scheme and the last possible date for conversion was 31 March 2002. After that date, the company may buy the deferred shares at par.

15. Share premium and reserves

	Share capital	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2009	39,938	13,520	(9,626)	43,832
Loss for the year	-	-	(685)	(685)
At 31 December 2009	<u>39,938</u>	<u>13,520</u>	<u>(10,311)</u>	<u>43,147</u>

16. Reconciliation of movement in shareholders' funds

	31 December 2009 £'000	31 December 2008 £'000
Loss for the financial year	(685)	(3,332)
Opening shareholders' funds	43,832	47,164
Closing shareholders' funds	<u>43,147</u>	<u>43,832</u>

Notes to the financial statements (continued)

17. Commitments

Annual commitments under non-cancellable operating leases are as follows

	31 December 2009		31 December 2008	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
Within one year	-	5	-	-
In the second to fifth years inclusive	-	286	-	-
Over five years	911	-	-	-
	911	291	0	0

18. Derivative financial instruments

The mark to market valuations of the outstanding interest rate swaps at 31 December 2009 and 31 December 2008 are as follows -

	31 December 2009 £'000	31 December 2008 £'000
Interest rate swaps - liabilities	(740)	(823)

The group uses derivatives to manage the risk associated with fluctuating interest rates on its long term borrowings

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2009 were £8,239,000 (as at 31 December 2008 £11,025,000)

At 31 December 2009, the fixed interest rates are 5.75% (at 31 December 2008 - 5.75%) and the main floating rates are EURIBOR and LIBOR

19. Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £85,000 (31 December 2008: £nil)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year included in creditors

20. Ultimate parent company

The immediate parent undertaking is WT Tiger 3 Limited, incorporated in the UK

The ultimate parent company and controlling party is GraceKennedy Limited

The smallest and largest group in which the results of the company are consolidated is that headed by GraceKennedy Limited, 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