

Cargill Foods Limited

**Directors' report and financial
statements**

Registered number 222999

26 May 2000



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 26 May 2000.

Principal activities and business review

The principal activity of the company during the year was poultry processing and distribution.

Dividends and transfer to reserves

The directors do not recommend the payment of a dividend (1999: £Nil) and the retained profit for the financial year to be transferred to reserves is £3,000 (1999: profit of £6,000).

Directors and directors' interests

The directors during the year were as follows:

P de Braal
R Thurston

According to the Register of Directors' Interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

No director had a beneficial interest in the shares of the company.

Payments to suppliers

It is the policy of the company to agree terms of payment when orders for goods and services are placed and to adhere to these arrangements when making payment.

Euro

Since there are no current plans for the UK to adopt the Euro, its advent is not expected to present any additional problems for the Company which is already capable of transacting business throughout the world in a variety of foreign currencies. No additional costs are currently anticipated following the adoption of the Euro by certain European countries. The company continues to work closely with its key customers to ensure a smooth transition to Euro pricing.

Year 2000

Management have confirmed that their strategy and contingency planning in association with the Year 2000 issue has resulted in the company having no significant problems arising out of the date change.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution for the appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



P de Braal
Director

Knowle Hill Park
Fairmile Lane
Cobham
Surrey
KT11 2PD

11 January 2001

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs and of the profit or loss 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 accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



St Nicholas House
Park Row
Nottingham
NG1 6FQ

Report of the auditors to the members of Cargill Foods Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 26 May 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

11 January 2001

Profit and loss account
for the year ended 26 May 2000

	<i>Note</i>	2000 £000	1999 £000
Turnover	2	478	317
Cost of sales		(463)	(309)
		<hr/>	<hr/>
Gross profit		15	8
Administrative expenses		(11)	-
		<hr/>	<hr/>
Operating profit		4	8
Interest receivable and similar income	4	-	1
		<hr/>	<hr/>
Profit on ordinary activities before taxation		4	9
Taxation	5	(1)	(3)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		3	6
		<hr/>	<hr/>

The company had no recognised gains or losses other than the result for the year.

The company made no acquisitions and had no discontinued activities in the year.

Balance sheet

at 26 May 2000

	<i>Note</i>	2000 £000	1999 £000
Current assets			
Stock	6	29	-
Debtors	7	1,030	1,037
		<hr/>	<hr/>
		1,059	1,037
Creditors: amounts falling due within one year	8	(22)	(3)
		<hr/>	<hr/>
Net assets		1,037	1,034
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account	10	37	34
		<hr/>	<hr/>
Equity shareholders' funds	11	1,037	1,034
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 11 January 2001 and were signed on its behalf by:



P de Braal
Director

Notes

(forming part of the financial statements)

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 under the historical cost convention and in accordance with applicable accounting standards.

The company is a member of a group which has published a consolidated cash flow statement. Accordingly the company is exempt from publishing its own cash flow statement.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. As these realised exchange differences arise from trading activities, they are included in other operating income/expenditure. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value.

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. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover, all of which arose from the company's principal activity, represents amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

Related party transactions

In accordance with FRS8, the company is exempt from disclosure of related party transactions with companies whose results are consolidated in the intermediate holding company's report and accounts. Disclosure is provided of related party transactions with non-UK group companies since the report and accounts of the ultimate holding company are not widely available.

Notes (continued)

2 Analysis of turnover and profit on ordinary activities before interest and taxation by geographical market

	2000		1999	
	Turnover	Operating Profit	Turnover	Operating Profit
	£000	£000	£000	£000
Europe	478	4	229	6
Rest of the world	-	-	88	2
	<u>478</u>	<u>4</u>	<u>317</u>	<u>8</u>

3 Staff numbers and costs

The average number of persons (including directors) employed by the company during the year was 2 (1999: 2). No emoluments were paid during the current or preceding year, either to employees or directors.

4 Interest receivable and similar income

	2000 £000	1999 £000
Interest receivable from group undertakings:		
On short term loan	-	1
	<u>-</u>	<u>1</u>

5 Taxation

	2000 £000	1999 £000
UK corporation tax at 30% (1999: 30.83%) on the profit for the year on ordinary activities	1	3
	<u>1</u>	<u>3</u>

6 Stocks

	2000 £000	1999 £000
Finished goods and goods for resale	29	-
	<u>29</u>	<u>-</u>

Notes (continued)

7 Debtors

	2000 £000	1999 £000
Amounts falling due within one year		
Trade debtors	1	-
Amounts owed by group undertakings	1,029	1,037
	<hr/> 1,030 <hr/>	<hr/> 1,037 <hr/>

8 Creditors: amounts falling due within one year

	2000 £000	1999 £000
Corporation tax	1	3
Other creditors	21	-
	<hr/> 22 <hr/>	<hr/> 3 <hr/>

9 Share capital

	2000 £000	1999 £000
Authorised, allotted, called up and fully paid 1,000,000 ordinary shares of £1 each	<hr/> 1,000 <hr/>	<hr/> 1,000 <hr/>

10 Profit and loss account

	2000 £000	1999 £000
At beginning of year	34	28
Retained profit for the year	3	6
	<hr/>	<hr/>
At end of year	37	34
	<hr/>	<hr/>

Notes (continued)

11 Reconciliation of shareholders' funds

	2000 £000	1999 £000
Profit for the financial year	3	6
Net addition to shareholders' funds	3	6
Opening shareholders' funds	1,034	1,028
Closing shareholders' funds	1,037	1,034

12 Ultimate holding company and parent undertaking

The company is a subsidiary of Cargill PLC, a company registered in England and Wales. The ultimate controlling party is Cargill, Incorporated, a company incorporated in the USA. The largest group in which results of the company are consolidated is that headed by Cargill, Incorporated whose financial statements are not available to the public. The smallest group into which the results of the company are consolidated is that headed by Cargill Holdings, a company registered in England and Wales, whose consolidated financial statements are available to the public and may be obtained from the Registrar of Companies, Crown Way, Cardiff.