

671701

F.M.C. plc

DIRECTORS' REPORT AND ACCOUNTS
FOR YEAR ENDED 31st DECEMBER, 1992

Registered No. 671701



F.M.C. plc

DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 31st December, 1992.

BUSINESS REVIEW

A national shortage of livestock throughout the year placed severe pressure on margins in most areas of activity.

Investment has continued to be directed towards added value facilities.

ACTIVITIES

The Company is the parent company of a group of companies whose principal activities are the slaughter of livestock and the boning, packaging and distribution of meat; the production of bacon products sold under the Harris brand, together with a wide range of sausages, pies and cooked meats supplied under local brands.

RESULTS

	Year ended 31.12.92 £'000	Year ended 31.12.91 £'000
Summarised results of the Company for the year are:		
(Loss)/profit on ordinary activities before taxation	(2,226)	3,097
Tax (charge)/credit	<u>(28)</u>	<u>3</u>
(Loss)/profit for the financial year	(2,254)	3,100
Dividend paid on ordinary shares	(2,000)	(4,505)
	<u>(4,254)</u> =====	<u>(1,405)</u> =====

DIVIDEND

During the year a dividend of £2,000,000 was paid on ordinary shares. The directors recommend that no further dividend be paid for 1992 (1991: £4,505,000) and that the balance of £4,254,000 be carried forward against reserves.

F.M.C. plc
DIRECTORS' REPORT

DIRECTORS

Details of the directors who served during the year were:-

M.N. Buswell
A.J. Hewitt
C.E. Jay
A.J. Monks

Of the directors holding office at 31st December, 1992 none held shares in F.M.C. plc nor its subsidiary companies as at 31st December, 1992.

Declarable interests of the directors holding office at 31st December, 1992 are as follows:-

	Hillsdown Holdings plc 10p Ordinary Shares Holding at	
	31.12.92	31.12.91
C.E. Jay	81,665	81,665
A.J. Hewitt	Nil	Nil
A.J. Monks	832	832

The declarable interests of Mr M.N. Buswell, being a director of Hillsdown Holdings plc, the parent company, are disclosed in the accounts of that company.

DIRECTORS' INTERESTS IN MATERIAL CONTRACTS

No director was or is materially interested in any contract subsisting during or at the end of the financial year which was significant in relation to the Company's business.

FIXED ASSETS

Movements in investment in subsidiaries are shown in Note 5 to the accounts.

F.M.C. plc

DIRECTORS' REPORT

AUDITORS

At the Company's last Annual General Meeting, KPMG Peat Marwick were reappointed as auditors of the Company. A resolution concerning their reappointment as auditors will be proposed at the forthcoming Annual General Meeting.

By order of the Board


A.J. MONKS
Secretary

5th March 1993

REPORT OF THE AUDITORS, KPMG PEAT MARWICK,

TO THE MEMBERS OF F.M.C. plc

We have audited the financial statements on pages 5 to 10 in accordance with Auditing Standards.

- In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December, 1992 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Chartered Accountants
Registered Auditors
Swindon

5th March 1993

F.M.C. plc
PROFIT AND LOSS ACCOUNT

for the year ended 31st December, 1992

	Note	Year ended 31.12.92 £'000	Year ended 31.12.91 £'000
Administrative expenses		(7)	(7)
Income from shares in group undertakings		300	4,543
Interest receivable from group undertakings		8	11
Interest payable to group undertakings		(28)	(13)
Provision for diminution in value of investment in subsidiaries		(2,802)	(1,322)
Provision for deficiencies in subsidiaries		(109)	(115)
(Loss)/profit on ordinary activities before taxation	2	(2,638)	3,097
Tax (charge)/credit	4	(28)	3
(Loss)/profit on ordinary activities after taxation and for the financial year		(2,666)	3,100
Dividend paid		(2,000)	(4,505)
		(4,666)	(1,405)
Retained profit brought forward		5,617	7,022
Retained profit carried forward		951 =====	5,617 =====

The attached notes form part of these accounts.

F.M.C. plc
BALANCE SHEET

at 31st December, 1992

	Note	1992 £'000	1992 £'000	1991 £'000	1991 £'000
FIXED ASSETS					
Investments	5		34,725		37,393
CURRENT ASSETS					
Debtors	6	6,528		6,558	
CREDITORS: amounts falling due within one year	7	(1,045)		(983)	
NET CURRENT ASSETS			<u>5,483</u>		<u>5,575</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			40,208		42,968
PROVISIONS for liabilities and charges	8		<u>(3,387)</u>		<u>(3,616)</u>
NET ASSETS			<u>36,821</u>		<u>39,352</u>
CAPITAL AND RESERVES			=====		=====
Called up share capital	9		10,625		8,625
Share premium account			3,118		3,118
Capital redemption reserve			4,300		4,300
Revaluation reserve	10		17,827		17,692
Profit and loss account			<u>951</u>		<u>5,617</u>
SHAREHOLDERS' FUNDS			<u>36,821</u>		<u>39,352</u>
			=====		=====

Signed on behalf of the Board of Directors
who approved the accounts on 5th March 1993

C.E. JAY

Directors

A.J. HEWITT

The attached notes form part of these accounts.

F.M.C. plc

Notes to the Accounts

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Company's accounts.

Basis of Accounting

The accounts are prepared in accordance with relevant accounting standards under the historical cost convention.

Cash Flow Statement

The Company is exempt from Financial Reporting Standard No. 1, "Cash Flow Statement", being a wholly owned subsidiary of Hilldown Holdings plc which prepares a Consolidated Cash Flow Statement dealing with Cash Flows of the Group.

Investment in Subsidiary Undertakings

The investment in each subsidiary undertaking, which has net assets at the balance sheet date, is stated at net asset value. For each investment which has a deficiency of net assets any debt due to the Company has been written off. Any surplus arising on revaluation is taken to revaluation reserve. Deficiencies on revaluation are taken to revaluation reserve and offset against previous revaluation surpluses; any excess deficiency is charged to profit and loss account.

Deferred Tax

Provision is calculated on the liability method for deferred tax resulting from short term timing differences between profits computed for taxation purposes and profits as stated in the accounts. Provision is not made for other timing differences where liability is not expected to arise in the foreseeable future.

2. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration for 1992 and 1991 has been charged on a group basis.

3. DIRECTORS' EMOLUMENTS

No emoluments were paid to the directors during the year ended 31st December, 1992 (1991: NIL).

4. TAX (CHARGE)/CREDIT

	Year ended 31.12.92 £'000	Year ended 31.12.91 £'000
Group Relief Receivable	9	3
Adjustment in respect of prior years	(37)	-
	(28)	3
	=====	=====

F.M.C. plc

Notes to the Accounts

5. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £'000
Cost	25,882
Net Surplus on revaluation	<u>11,511</u>
Valuation at 31.12.91	37,393
Disposals	(75)
Net Decrease in valuation	<u>(2,593)</u>
Valuation at 31.12.92	34,725
	=====

Details of principal subsidiaries are given in note 13.

6. DEBTORS

	1992 £'000	1991 £'000
Amounts owed by subsidiary undertakings	6,510	6,550
Amounts owed by fellow subsidiary undertakings	5	5
Corporation tax recoverable	<u>13</u>	<u>3</u>
	6,528	6,558
	=====	=====

7. CREDITORS: Amounts falling due within one year

	1992 £'000	1991 £'000
Amounts owed to subsidiary undertakings	896	871
Other creditors including taxation and social security	149	110
Accruals and deferred income	-	2
	<u>1,045</u>	<u>983</u>
	=====	=====
Other creditors including taxation and social security comprise:		
Corporation tax	40	1
Other creditors	<u>109</u>	<u>109</u>
	149	110
	=====	=====

Notes to the Accounts

F.M.C. plc

8. PROVISIONS for liabilities and charges

	Provision for deficiencies in subsidiary undertakings £'000	Other Provisions £'000	Total £'000
Balance at 1.1.92	3,425	191	3,616
Released on disposal of subsidiary undertaking	(338)	-	(338)
Increase on revaluation	<u>109</u>	<u>-</u>	<u>109</u>
Balance at 31.12.92	3,196	191	3,387
	=====	=====	=====

9. SHARE CAPITAL

	1992 £'000	1991 £'000
Authorised		
1,250,000,000 Ordinary Shares of 1p each	12,500	7,500
10,000,000 Deferred Shares of 25p each	<u>2,500</u>	<u>2,500</u>
	15,000	10,000
	=====	=====

The authorised share capital of the Company was increased on 30th December 1992 from £10m to £15m by the creation of an additional 500,000,000 ordinary shares of 1p each.

Issued and fully paid

812,500,000 Ordinary Shares of 1p each	8,125	6,125
10,000,000 Deferred Shares of 25p each	<u>2,500</u>	<u>2,500</u>
	10,625	8,625
	=====	=====

On 30th December 1992 the Company allotted 200,000,000 ordinary shares of 1p each to Hillside Holdings plc for a consideration of £2,000,000 in order to increase the capital base of the Company.

10. MOVEMENT ON REVALUATION RESERVE

	£'000
Balance at 1.1.92	17,692
Adjustment on revaluation of subsidiary undertakings	<u>135</u>
Balance at 31.12.92	17,827
	=====

As provided in Section 275(1) of the Companies Act 1985 the provision for diminution in value of investments in subsidiaries aggregating £12,104,000 charged against the Company's profit and loss account does not fall to be treated as a realised loss and therefore is not regarded as reducing distributable reserves.

F.M.C. plc

Notes to the Accounts

11. CONTINGENT LIABILITIES

Under the terms of an agreement with Midland Bank plc the Company is liable under an unlimited cross-guarantee for the total liabilities of the F.M.C. plc group with the Bank. The contingent liabilities under this arrangement amount to approximately £8,437,000 at 31st December, 1992 (1991: £7,558,000).

12. ULTIMATE PARENT COMPANY

The ultimate parent company is Hillsdown Holdings plc, a company limited by shares, incorporated in Great Britain and registered in England and Wales. Copies of the group accounts can be obtained from the Company Secretary, Hillsdown Holdings plc, 32 Hampstead High Street, London, NW3 1QD.

13. PRINCIPAL SUBSIDIARIES

The Company held 100% of the ordinary share capital of the following operating companies at 31st December, 1992.

F.M.C. (Meat) Limited
C. & T. Harris (Calne) Limited
Harris (Ipswich) Limited
Agricultural Database Limited
Marshall (Lamberhurst) Limited
Marshall (Country Meats) Limited
Bransbys Limited
T. Duggins Limited
North Devon Meat Limited
F.M.C. (N.Z.) Limited (incorporated and operates in New Zealand)
F.M.C. (Meat) N.Z. Limited (incorporated and operates in New Zealand)

Notes

(i) All companies are registered in England and operate in the United Kingdom except where otherwise shown.

(ii) The Company also holds all the issued share capital of 18 non-trading subsidiaries.

Consolidated accounts of the Company and its subsidiaries, have not been prepared since the Company is a wholly owned subsidiary of another company incorporated in Great Britain.