

Registered No. 1494105

**UB FOODS US LIMITED**

**REPORT AND ACCOUNTS**

**FOR**

**THE 52 WEEKS ENDED**

**30 DECEMBER 2000**



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## **Directors' Report**

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The directors present their report and the accounts for the fifty-two weeks ended 30 December 2000.

### **Directors**

M Dale	(appointed 30 June 2000)
G Keniston-Cooper	(appointed 30 June 2000, 30 March 2001)
D Mégret	(appointed 30 June 2000, 14 July 2000)
B Meunier	(appointed 30 June 2000)
D Murphy	(appointed 30 June 2000, resigned 14 July 2000, re-appointed 30 March 2001)
R Schiffner	(appointed 30 June 2000, resigned 21 December 2000)
I Haslegrave	(appointed 28 July 2000)
M Oldham	(appointed 28 July 2000)
M Ritchie	(appointed 26 September 2000)
M Wilkinson	(resigned 12 July 2000)
A Clark	(resigned 12 July 2000)
P Van de Walle	(resigned 12 July 2000)
J Warren	(resigned 12 July 2000)

### **Principal activity, review of the business and future developments**

The sole activity of the Company is to act as an investment holding company for the United Biscuits Group. No change in this activity is intended. Full details of the performance of the United Biscuits Group are set out in the report and accounts of United Biscuits Group (Investments) Limited, copies of which may be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

### **Profit and appropriations**

The profit and appropriations for the year are shown in the profit and loss account on page 5. The directors do not recommend the payment of a dividend for the year.

### **Employees**

The Company, as an investment holding company, has no employees.

### **Directors and their interests**

The names of the present directors are stated above.

No director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business.

During the year the Company maintained liability insurance for its directors and officers.

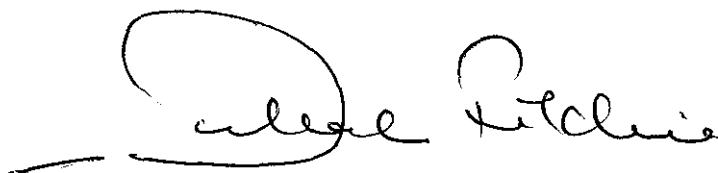
**Directors' Report (continued)**

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**Auditors**

A resolution to re-appoint Ernst & Young as the Company's auditor will be put to the forthcoming Annual General Meeting. Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP. If this happens, it is the current intention of the Directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

On behalf of the board

A handwritten signature in black ink, appearing to read 'M Ritchie', is written over a horizontal line.

**M Ritchie**  
**Director**

30 April 2001

Registered Office:

Church Road  
West Drayton  
Middlesex UB7 7PR

**Statement of directors' responsibilities in relation to the accounts**

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The following statement which should be read in conjunction with the report of the auditors set out on page 4, describes the responsibilities of the directors in relation to these accounts.

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the year and of the profit or loss for the year.

The directors are of the opinion that, in preparing the accounts on pages 5 to 12 inclusive, appropriate accounting policies have been consistently applied, supported by reasonable and prudent estimates and judgements, and all applicable accounting standards have been followed.

The directors are responsible for ensuring that the Company keeps accounting records which disclose, with reasonable accuracy, the financial position of the Company and which enable them to ensure that the accounts comply with the Companies Act 1985.

The directors also have responsibility for safeguarding the assets of the Company and for taking reasonable steps to ensure the prevention and detection of fraud and other irregularities.

The directors are satisfied that the Company has adequate resources to meet its operational needs for the foreseeable future and accordingly they continue to adopt the going concern basis in preparing the accounts.

**Report of the auditors to the members of UB Foods US Limited**

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We have audited the accounts on pages 5 to 12 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3 the Company's directors are solely responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

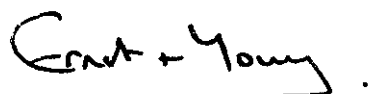
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 30 December 2000 and of the profit of the Company for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



**Ernst & Young**

Registered Auditor  
London

30 April 2001

**UB Foods US Limited****Profit and loss account****For the 52 weeks ended 30 December 2000**

	<b>Notes</b>	<b>2000 £'000</b>	<b>1999 £'000</b>
Administrative expenses		<b>(16)</b>	-
Dividends received		-	2,445
<b>Operating (loss)/profit</b>		<b>(16)</b>	<b>2,445</b>
Profit/(loss) arising on disposal of intangible assets		<b>123,500</b>	(14,988)
Release of provision established on disposal of of businesses in prior years		-	1,141
Loss arising on the disposal of subsidiaries	<b>3</b>	<b>(19,192)</b>	
Capital distribution arising on liquidation of subsidiary	<b>4</b>	<b>13,994</b>	-
<b>Profit/(loss) before interest</b>		<b>118,286</b>	<b>(11,402)</b>
Net interest income	<b>5</b>	<b>15,074</b>	10,362
<b>Profit/(loss) on ordinary activities before tax</b>		<b>133,360</b>	<b>(1,040)</b>
Tax on profit/(loss) on ordinary activities	<b>6</b>	<b>(237)</b>	(25)
<b>Profit/(loss) attributable to shareholder</b>		<b>133,123</b>	<b>(1,065)</b>

All amounts relate to continuing activities.

There were no recognised gains or losses for the year other than those disclosed above.

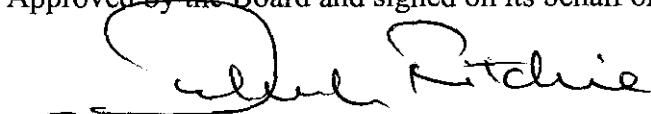
# UB Foods US Limited

## Balance sheet

As at 30 December 2000

	Notes	2000 £'000	1999 £'000
<b>Fixed assets</b>			
Investments in subsidiary undertakings	7	-	3,536
Investments in joint ventures	8	25,564	25,564
		<b>25,564</b>	<b>29,100</b>
<b>Current assets</b>			
Debtors	9	338,192	151,310
<b>Creditors : amounts falling due within one year</b>	<b>10</b>	<b>78,301</b>	<b>28,078</b>
Net current assets		<b>259,891</b>	<b>123,232</b>
Total assets less current liabilities		<b>285,455</b>	<b>152,332</b>
<b>Provisions for liabilities and charges</b>	<b>11</b>	<b>1,228</b>	<b>1,228</b>
Net assets		<b>284,227</b>	<b>151,104</b>
<b>Capital and reserves</b>			
Called up equity share capital	12	1,000	1,000
Share premium account	13	135,715	135,715
Profit and loss account	13	147,512	14,389
Shareholder's funds		<b>284,227</b>	<b>151,104</b>

Approved by the Board and signed on its behalf on 30 April 2001



**M Ritchie**  
**Director**

**Notes to the accounts**

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**1 Accounting policies**

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**Basis of accounting**

The accounts are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The Company is exempt from producing group accounts, under S228 of the Companies Act 1985, as its parent company as at 30 December 2000, United Biscuits Group (Investments) Limited, has produced group accounts.

**Foreign currency translations**

Monetary assets and liabilities denominated in foreign currencies are translated 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.

**Cash flow statement**

The Company has not produced a cash flow statement as the parent company as at 30 December 2000, United Biscuits Group (Investments) Limited, has prepared a consolidated cash flow statement complying with FRS1.

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**2 Directors' emoluments**

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The directors of the Company are also directors of fellow subsidiaries. The directors received total remuneration for the year of £7,488,601 (1999: £1,273,381) which was paid by United Biscuits (UK) Limited. The directors do not believe that it is practicable to apportion this amount between their services as directors of the Company and their services as directors of fellow subsidiaries.



## UB Foods US Limited

### Notes to the accounts (continued)

#### 3 Loss arising on the disposal of subsidiaries

The loss on disposal relates to the disposal of the following fixed asset investments in subsidiary companies during the year:

Investment transferred	Cost of investment £000	Net proceeds £000	Disposal costs £000	Profit / (loss) £000
United Biscuits Taiwan Ltd	111	833	15	707
United Biscuits Asia Pacific Ltd	7,792	16,871	10	9,069
United Biscuits (China) Ltd	6,407	-	48	(6,455)
United Biscuits (East China) Ltd	11,169	-	-	(11,169)
United Biscuits Snacks (Shenzhen) Ltd	1,551	-	-	(1,551)
Aberdare developments Ltd	6,257	-	-	(6,257)
UB Snackfoods Europe BV	3,536	-	-	(3,536)
<b>Total</b>	<b>36,823</b>	<b>17,704</b>	<b>73</b>	<b>(19,192)</b>

#### 4 Capital distribution

The capital distribution arose on liquidation of UB Snackfoods Europe BV, a subsidiary of the company.

#### 5 Interest

	2000 £'000	1999 £'000
Interest income from fellow subsidiary undertakings	12,824	9,910
Interest income from joint venture	1,299	452
Other	951	-
	<b>15,074</b>	<b>10,362</b>

# UB Foods US Limited

## Notes to the accounts (continued)

### 6 Tax on profit on ordinary activities

	2000 £'000	1999 £'000
Tax on profit on ordinary activities	<u>237</u>	<u>25</u>

### 7 Investments in subsidiary undertakings

	£'000
At 2 January 2000	3,536
Transferred from other group companies	33,287
Disposals and write offs (see note 3)	(36,823)
At 30 December 2000	<u>-</u>

### 8 Investments in joint ventures

As at 30 December 2000 the Company owned a 44.2% interest in Young's Bluecrest Seafood Holdings Ltd which is a seafood manufacturer and is incorporated and operates in England. This investment was sold on 12 March 2001 - see note 14.

	<u>Shares</u> £'000	<u>Loans</u> £'000	<u>Total</u> £'000
At 30 December 2000	<u>1,414</u>	<u>24,150</u>	<u>25,564</u>

# UB Foods US Limited

## Notes to the accounts (continued)

### 9 Debtors

	2000 £'000	1999 £'000
Amounts due from parent company	105,500	-
Amounts due from fellow subsidiary companies	232,235	149,701
Other debtors	457	1,609
	<u>338,192</u>	<u>151,310</u>

### 10 Creditors

	2000 £'000	1999 £'000
Amounts due to fellow subsidiary companies	38,884	28,078
Other creditors	39,417	-
	<u>78,301</u>	<u>28,078</u>

### 11 Provisions for liabilities and charges

	£'000
At 2 January 2000 and 30 December 2000	<u>1,228</u>

Provisions are in respect of liabilities arising from disposals of investments in prior years.

# UB Foods US Limited

## Notes to the accounts (continued)

### 12 Share capital

	2000 £'000	1999 £'000
Authorised ordinary shares - 25 million of £ 1 each	<u>25,000</u>	<u>25,000</u>
Allotted, called up and fully paid shares - 1 million of £ 1 each	<u>1,000</u>	<u>1,000</u>

### 13 Reconciliation of movements in shareholder's funds

	Share Capital £'000	Share Premium £'000	Profit & Loss Account £'000	Total 2000 £'000	Total 1999 £'000
Opening shareholder's funds	1,000	135,715	14,389	151,104	152,169
Profit/(loss) for the year	-	-	133,123	133,123	(1,065)
Closing shareholder's funds	<u>1,000</u>	<u>135,715</u>	<u>147,512</u>	<u>284,227</u>	<u>151,104</u>

### 14 Post balance sheet event

On 12 March 2001, the company sold its interest in Youngs Bluecrest Seafood Holdings Limited, giving rise to cash proceeds of £37m.

### 15 Inter-group cross-guarantee

The Company, together with other subsidiary undertakings in the United Biscuits Group, has cross-guaranteed the Group's Senior Credit Facility which is held by Regentrealm Limited, an investment company within the United Biscuits group. The amount outstanding under this facility as at 30 December 2000 was £411.9m.

**Notes to the accounts (continued)**

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**16 Related party transactions**

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The Company has taken advantage of the exemptions laid out in Financial Reporting Standard 8, "Related Party Transactions" not to disclose transactions with entities that are part of the group, on the grounds that consolidated financial statements of the group are publicly available.

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**17 Ultimate parent company**

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The ultimate parent company is United Biscuits (Equity) Limited which is incorporated in the Cayman Islands.