

DIRECTORS' REPORT AND ACCOUNTS

DERBYSHIRE CHILLED FOODS LIMITED

(Registered Number 2134081)

31 March 1995



DERBYSHIRE CHILLED FOODS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1995

The directors present their report and the audited accounts of the company for the year ended 31 March 1995.

REVIEW OF THE BUSINESS AND RESULTS

On 31 March 1994 the assets and liabilities of the company were transferred to a fellow group undertaking, Hazlewood Convenience Group 1 Limited, at their net book amount. The company commenced to act as an undisclosed agent of Hazlewood Convenience Group 1 Limited, for no consideration, with effect from that date.

The company did not trade during the year. A dividend of £1,937,000 (1994:£Nil) is proposed by the directors from existing distributable reserves.

DIRECTORS AND THEIR INTERESTS

All persons who were directors of the company at any time during the year and at the date of this report are listed below:

CJ Ball	(Resigned 20 June 1994)
JM Simons	
KM Higginson	(Appointed 20 July 1994)
GB Allison	
JA Grix	(Appointed 1 August 1994)
G Wordsworth	(Appointed 25 November 1994)
MJ Grimwood	(Resigned 1 August 1994)
AA Wright	

Messrs KM Higginson and JM Simons are directors of the ultimate parent company, Hazlewood Foods plc, and their interests in the share capital of group companies are disclosed in that company's directors' report.

The interests of the other directors who held office at the end of the year, in the share capital of group companies, at the beginning and end of the year, were as follows:

Hazlewood Foods plc
Ordinary shares of 10p each

At 1 April 1994
and 31 March 1995

Shares

AA Wright

100

DERBYSHIRE CHILLED FOODS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1995 (CONTINUED)

DIRECTORS AND THEIR INTERESTS (CONTINUED)

Hazlewood Foods plc <u>Ordinary shares of 10p each</u>						
	Options held at <u>1 April 1994</u>	Options granted during the year	Options held at <u>31 March 1995</u>	Exercise price	Date from which <u>excisable</u>	Expiry <u>date</u>
AA Wright	5,078	-	5,078	£2.08	06/01/1992	06/01/1999
	10,000	-	10,000	£2.17	04/07/1991	04/07/1998
	-	30,000	30,000	£1.07	13/12/1997	13/12/2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the affairs of the company at the balance sheet date and of the profit or loss of the company for that year. In preparing those accounts, the directors are required to:

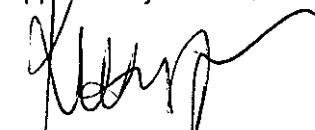
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts on the 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 enable them to ensure that the accounts 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.

AUDITORS

Price Waterhouse offer themselves for re-appointment as auditors of the company.

Approved by the Board



KM HIGGINSON
Director
22 September 1995

Registered Office

Dukeries Industrial Estate
Claylands Close
Worksop
S81 7A

AUDITORS' REPORT TO THE SHAREHOLDERS OF DERBYSHIRE CHILLED FOODS LIMITED

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 the company's affairs at 31 March 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors
Nottingham

22 September 1995

DERBYSHIRE CHILLED FOODS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1995

	Notes	1995	1994
TURNOVER	3	-	27,079,318
Cost of sales		-	(18,945,935)
GROSS PROFIT		-	8,133,383
Distribution costs		-	(1,654,600)
Administrative expenses		-	(3,698,131)
OPERATING PROFIT	4	-	2,780,652
Interest payable and similar charges	6	-	(207,061)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	2,573,591
Taxation	7	-	(635,647)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	1,937,944
Dividends		(1,937,000)	-
TRANSFER (FROM) TO RESERVES		(1,937,000)	1,937,944
RESERVES BROUGHT FORWARD		4,263,245	2,325,301
RESERVES CARRIED FORWARD		£2,326,245	£4,263,245

On 31 March 1994 the company transferred its business assets and liabilities to a fellow group undertaking, as a consequence all figures relate to discontinued activities.

There were no recognised gains and losses except for those included above in the profit and loss account.

The notes on pages 6 to 9 form part of these accounts.

DERBYSHIRE CHILLED FOODS LIMITED

BALANCE SHEET - 31 MARCH 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
CURRENT ASSETS			
Debtors	8	<u>2,326,247</u>	<u>4,263,247</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>2,326,247</u>	<u>4,263,247</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>£2,326,247</u>	<u>£4,263,247</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account		<u>2,326,245</u>	<u>4,263,245</u>
Total shareholders' funds (all equity interests)	10	<u>£2,326,247</u>	<u>£4,263,247</u>

APPROVED BY THE BOARD
ON 22 SEPTEMBER 1995



JM Simons

DIRECTOR

The notes on pages 6 to 9 form part of these accounts

DERBYSHIRE CHILLED FOODS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1995

1 ACCOUNTING POLICIES

(1) Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(2) Tangible fixed assets and depreciation

Tangible fixed assets are written off at the following rates based on their estimated useful lives:

Freehold buildings	2% per annum straight line basis
Plant and equipment	10% per annum straight line basis
Motor vehicles	25% per annum straight line basis
Fixtures and fittings	20% per annum straight line basis

No depreciation is provided on freehold land. Freehold buildings are deemed to have a residual value of 30%. Short leasehold property is depreciated on a straight line basis over the life of the lease.

(3) Leased assets

Operating lease rentals are charged to the profit and loss account in the period in which they fall due.

(4) Pensions

The pension cost charge included in the profit and loss account in respect of the defined benefit scheme, of which eligible employees are members, represents the amount of contributions due in respect of the year. Amounts are determined on a group basis. Further details of the company's pension arrangements are set out in Note 11.

(5) Research and development

Research and development expenditure, except that on building and plant, is charged to the profit and loss account as it is incurred.

2 TRADING

During the year the company did not trade and received no income and incurred no expenditure, and therefore the company made neither profit or loss. Auditors remuneration has been borne by another group undertaking.

3 TURNOVER

Turnover, which was wholly within the United Kingdom from the business of food manufacture, represents the net amounts charged to customers for goods and services after deducting value added tax.

	1995	1994
Included in turnover are sales to group companies amounting to:	£-	£6,633

DERBYSHIRE CHILLED FOODS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1995 (CONTINUED)

4 OPERATING PROFIT

	<u>1995</u>	<u>1994</u>
	£	£
This is stated after charging:		
Staff costs (Note 5)	-	7,149,943
Depreciation	-	297,869
Auditors' remuneration	-	9,400
Operating lease rentals - plant and machinery	-	279,784
- other	-	82,048
Group management charges	-	135,335
	<u> </u>	<u> </u>

5 DIRECTORS AND EMPLOYEES

	<u>1995</u>	<u>1994</u>
Staff costs:		
Wages and salaries	-	6,388,184
Social security costs	-	739,182
Other pension costs	-	22,577
	<u> </u>	<u> </u>
	£-	£7,149,943
	<u> </u>	<u> </u>

	<u>Number</u>	<u>Number</u>
Average number of employees	-	645
	<u> </u>	<u> </u>

The above includes the following remuneration including pension contributions in respect of directors.

£Nil	£93,203
<u> </u>	<u> </u>

The emoluments, excluding pension contributions, of the directors were as follows:

Chairman	£Nil	£Nil
	<u> </u>	<u> </u>
Highest paid director	£Nil	£43,725
	<u> </u>	<u> </u>
	<u>Number</u>	<u>Number</u>

Directors' emoluments, excluding pension contributions, were within the following ranges:

£Nil - £5,000	8	7
£15,001 - £20,000	-	1
£25,001 - £30,000	-	1
£40,001 - £45,000	-	1
	<u> </u>	<u> </u>

DERBYSHIRE CHILLED FOODS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1995 (CONTINUED)

6 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1995</u>	<u>1994</u>
Interest payable on bank loans, overdrafts and other loans wholly repayable within five years	-	194,234
Finance charges payable under finance leases and hire purchase contracts	<u>-</u>	<u>12,827</u>
	-	£207,061
	<u><u>-</u></u>	<u><u>-</u></u>

7 TAXATION

	<u>1995</u>	<u>1994</u>
Corporation tax charge based on the result for the year at 33% (1994 33%)	-	555,000
Prior year	<u>-</u>	<u>80,647</u>
	£ -	£635,647
	<u><u>-</u></u>	<u><u>-</u></u>

8 DEBTORS

	<u>1995</u>	<u>1994</u>
Amounts owed by group undertakings	£2,326,247	£4,263,247
	<u><u>£2,326,247</u></u>	<u><u>£4,263,247</u></u>

9 CALLED UP SHARE CAPITAL

	1995 and 1994 <u>Ordinary shares of £1 each</u>	
	Number	£
Authorised share capital	100	100
	<u>100</u>	<u>100</u>
Issued and fully paid share capital	2	2
	<u>2</u>	<u>2</u>

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
Opening shareholders' funds	4,263,247	2,325,303
Profit for the year	-	1,937,944
Dividend paid	<u>(1,937,000)</u>	<u>-</u>
Closing shareholders' funds	<u><u>£2,326,247</u></u>	<u><u>£4,263,247</u></u>

DERBYSHIRE CHILLED FOODS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1995 (CONTINUED)

11 PENSION SCHEMES

The company's employees, where eligible, are members of a fully funded, defined benefit pension scheme operated by the ultimate parent company which is financed primarily through a separate trustee administered fund. Contributions to this fund, which are charged against profits are determined by the ultimate parent company based on actuarial advice. The details of the actuarial valuation of the scheme are set out in the financial statements of the ultimate parent company.

Pension costs of £Nil (1994:£22,577) included in the profit and loss account represent contributions payable to the fund.

12 CONTINGENT LIABILITIES

The company has given an unlimited guarantee to secure the bank borrowings of certain other group companies. The company had no net liability under this guarantee at 31 March 1995 and 31 March 1994.

13 ULTIMATE PARENT COMPANY

The company's ultimate parent company is Hazlewood Foods plc, which is registered in England. Copies of the accounts of Hazlewood Foods plc may be obtained from:

The Company Secretary
Hazlewood Foods plc
Rowditch
Derby
DE1 1NB

The group accounts of Hazlewood Foods plc include a group cash flow statement and, accordingly, no cash flow statement has been prepared as part of these accounts.