

Maldome Limited

Directors' Report and Financial Statements

Year Ended 31 March 2003

Company Reference Number 2913976



Maldome Limited

Directors' Report and Financial Statements Year Ended 31 March 2003

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Maldome Limited

Year Ended 31 March 2003

Directors and Other Information

Directors

L. Goodman
D. Murphy
R. Cracknell
D. Benson

Registered Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Wilton Place
Dublin 2

Secretary and Registered Office

J. McLaughlin
Battlefield Road
Harlescott
Shrewsbury
Shropshire
SY1 4AH

Solicitors

Clyde & Company
51 Eastcheap
London
EC3M 1JP
England

Companies Office Number

2913976

Maldome Limited

Report of the Directors

in Respect of the Year Ended 31 March 2003

The directors submit their report together with the audited financial statements for the year ended 31 March 2003.

Principal Activities

The company is an investment company which invests in companies trading in the meat processing industry. The company is also involved in the leasing of assets to other companies within the group.

Results and Dividends

The results of the company for the period are set out on pages 7 and 8. During the financial year the directors paid dividends of £5.03m. This includes dividends of £2.53m, provision for which was included in the prior year's financial statements. Since the financial year end the directors have declared dividends of £1.675m, provision for which has been included in these financial statements.

Business Review

During the year ended 31 March 2003, the company's operating profit on ordinary activities after taxation amounted to £4.426m (2002: £7.699m). The directors are satisfied with the results for the year.

Directors

The directors of the company at 31 March 2003, were:-

L. Goodman
D Murphy
R. Cracknell
D. Benson

The directors are not required by the Articles of Association to retire by rotation.

J. O Donnell resigned as director on 4 September 2002 and D. Murphy was appointed director on that date.

Maldome Limited

Report of the Directors

in Respect of the Year Ended 31 March 2003 (continued)

Interests of Directors and Secretary

Mr. L. Goodman, or entities connected with or controlled by him, have a beneficial interest in 100% of the share capital of the company and its holding companies. This interest remained unchanged during the year.

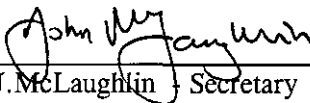
None of the directors nor the company secretary have any other beneficial interest in the share capital of the company or its ultimate parent company.

No contracts of significance in relation to the company existed at any time during the year ended 31 March 2003, in which the directors of the company had any material interest.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

By order of the Board:



J. McLaughlin Secretary

30 January 2004

Maldome Limited

Year Ended 31 March 2003

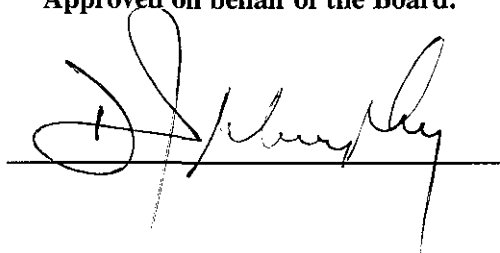
Directors' Responsibilities Statement for the Financial Statements

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the 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;
- 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 proper books of account which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in the United Kingdom and comply with the United Kingdom 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.

Approved on behalf of the Board:

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

Director

30 January 2004

Maldome Limited

Year Ended 31 March 2003

Independent Auditors' Report to the Members of Maldome Limited

We have audited the financial statements of Maldome Limited for the year ended 31 March 2003 as set out on pages 7 to 15.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the statement of directors' responsibilities at page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

This report, including our opinion, has been prepared for, and only for, the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 United Kingdom Companies Act, 1985. 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 obtained all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration or directors' transactions 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 at 31 March 2003, and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act, 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Dublin

30 January 2004

Maldome Limited

Profit and Loss Account

for the Year Ended 31 March 2003

| | | Year Ended 31 March 2003 £'000 | Year Ended 31 March 2002 £'000 |
|--|-------|--------------------------------------|--------------------------------------|
| | Notes | | |
| Income from shares in group undertakings | | 3,850 | 7,170 |
| Interest receivable and similar income (net) | 1 | <u>682</u> | <u>663</u> |
| Profit on Ordinary Activities before Taxation | | 4,532 | 7,833 |
| Tax on Profit on Ordinary Activities | 2 | <u>(106)</u> | <u>(134)</u> |
| Profit on Ordinary Activities after Taxation | | 4,426 | 7,699 |
| Dividend Paid | 3 | (2,500) | (4,390) |
| Dividend Payable | 3 | <u>(1,675)</u> | <u>(2,530)</u> |
| Profit Retained for the Year | | <u><u>251</u></u> | <u><u>779</u></u> |

In arriving at the profit retained for the year, all amounts above relate to continuing operations.

Maldome Limited

Statement of Movement in Retained Profits

for the Year Ended 31 March 2003

| | Year Ended 31 March 2003 £'000 | Year Ended 31 March 2002 £'000 |
|--|--------------------------------------|--------------------------------------|
| Retained profits/(accumulated losses) at 1 April 2002 | 5 | (774) |
| Profit Retained for the Year | <u>251</u> | <u>779</u> |
| Retained Profits at 31 March 2003 | <u><u>256</u></u> | <u><u>5</u></u> |

Statement of Total Recognised Gains and Losses

for the Year Ended 31 March 2003

| | Year Ended 31 March 2003 £'000 | Year Ended 31 March 2002 £'000 |
|---|--------------------------------------|--------------------------------------|
| Profit on ordinary activities after taxation | 4,426 | 7,699 |
| Prior Year Adjustment | - | (775) |
| Total recognised gains since last financial statements | <u><u>4,426</u></u> | <u><u>6,924</u></u> |

Note of Historical Cost Profits and Losses

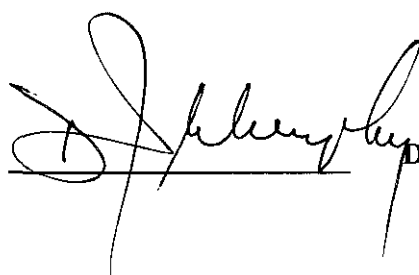
There is no difference between the profit on ordinary activities before taxation for the year on an historical basis and the corresponding amount stated in the profit and loss account.

Maldome Limited

Balance Sheet at 31 March 2003

| | | 31 March 2003 | | 31 March 2002 | |
|---|-------|----------------|-------------------|-----------------|-----------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Investments | 4 | | - | | - |
| Current assets | | | | | |
| Debtors | 5 | 11,292 | | 12,402 | |
| Cash at bank | | <u>2,640</u> | | <u>1</u> | |
| | | 13,932 | | 12,403 | |
| Creditors: amounts falling due within one year | 6 | <u>(3,702)</u> | | <u>(11,489)</u> | |
| Net current assets | | | <u>10,230</u> | | <u>914</u> |
| Total assets less current liabilities | | | 10,230 | | 914 |
| Creditors: amounts falling due in more than one year | 7 | | (8,959) | | - |
| Provisions for liabilities and charges | 8 | | <u>(1,015)</u> | | <u>(909)</u> |
| Net Assets | | | <u><u>256</u></u> | | <u><u>5</u></u> |
| Capital and Reserves | | | | | |
| Called up Share Capital | 9 | | - | | - |
| Profit and Loss Account | | | <u>256</u> | | <u>5</u> |
| Equity Shareholders' Funds | 10 | | <u><u>256</u></u> | | <u><u>5</u></u> |

These financial statements were approved by the Board of Directors on 30 January 2004.


 _____ Director

Maldome Limited

Statement of Accounting Policies and Estimation Techniques

Year Ended 31 March 2003

The significant accounting policies and estimation techniques adopted by the company are as follows:

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in the United Kingdom and United Kingdom statute comprising the Companies Act, 1985. Accounting standards generally accepted in the United Kingdom in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in England and Wales and issued by the Accounting Standards Board. The financial statements are prepared in accordance with the historical cost convention.

Cash Flow Statement

Advantage has been taken of the exemptions in Financial Reporting Standard ("FRS") 1 "Cash Flow Statements", revised, which permits companies not to produce a cash flow statement, provided the consolidated financial statements in which the company is included are publicly available.

Taxation

Corporation tax is calculated on the profits for the year as adjusted for group relief. Tax losses utilised for group relief are transferred between group members. Charges for group relief are determined on a case by case basis.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Investments in Subsidiaries

Investments in subsidiaries are stated at cost less provision for any permanent diminution in value.

Foreign Currencies

Transactions expressed in foreign currencies are translated into Pounds Sterling at the rate of exchange ruling at the date of the transaction. Foreign currency assets and liabilities are translated at the year end exchange rates, except in the case of contracts covered by forward exchange arrangements, where the contract rate is substituted. The resulting profits or losses are dealt within the profit and loss account.

Consolidation

Group Financial Statements have not been prepared as the company is a wholly owned subsidiary of Anglo Beef Processors (UK) Limited, a company incorporated in the United Kingdom which prepares group financial statements. Anglo Beef Processors (UK) Limited will file its consolidated financial statements with the Registrar of Companies at Cardiff, Wales.

Maldome Limited

Statement of Accounting Policies and Estimation Techniques (continued)

Year Ended 31 March 2003

Finance Lease

The amount due under finance leases from group companies is recorded in the balance sheet as a debtor at the amount of the net investment in the lease.

The total gross earnings under finance leases are allocated to accounting periods to give a constant periodic rate of return on the lessor's net cash investment in the lease in each financial year.

Maldome Limited

Notes to the Financial Statements

Year Ended 31 March 2003

| 1. Interest Receivable and Similar Income (net) | Year Ended 31 March 2003 £'000 | Year Ended 31 March 2002 £'000 |
|---|--------------------------------------|--------------------------------------|
| Lease Interest Receivable from Group Companies | 683 | 665 |
| Bank charges | (1) | (2) |
| | <u>682</u> | <u>663</u> |

| 2. Tax on Profit on Ordinary Activities | Year Ended 31 March 2003 £'000 | Year Ended 31 March 2002 £'000 |
|---|--------------------------------------|--------------------------------------|
|---|--------------------------------------|--------------------------------------|

(a) Analysis of charge for year

| | | |
|--|------------|------------|
| Corporation Tax Payable | - | - |
| Deferred Tax: | | |
| Origination and reversal of timing differences | 106 | 134 |
| Tax on profit on ordinary activities | <u>106</u> | <u>134</u> |

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the tax payable based on the standard rate of corporation tax in the United Kingdom (30%). The difference is explained below:

| | Year Ended 31 March 2003 £'000 | Year Ended 31 March 2002 £'000 |
|---|--------------------------------------|--------------------------------------|
| Profit on ordinary activities before taxation | <u>4,532</u> | <u>7,833</u> |
| Profit on ordinary activities multiplied by the average rate of corporation tax 30% (2002: 30%) | 1,360 | 2,350 |
| Effects of:- | | |
| Capital allowances | (466) | (451) |
| Income not subject to taxation | (1,155) | (2,151) |
| Other taxable receipts | 357 | 321 |
| Tax losses surrendered by group companies | (96) | (69) |
| Current tax charge for period (note 2(a)) | <u>Nil</u> | <u>Nil</u> |

Maldome Limited

Notes to the Financial Statements (continued)

Year Ended 31 March 2003

| 3. Dividends paid and payable - equity shares | 31 March 2003 £'000 | 31 March 2002 £'000 |
|---|------------------------|------------------------|
|---|------------------------|------------------------|

Dividend paid and payable on equity shares:

Ordinary dividend paid amounting to a total of £1.250m

(2002: £2.195m) per share

2,500

4,390

Ordinary dividend payable amounting to a total of £0.8375m

(2002: £1.265m) per share

1,675

2,530

4,175

6,920

| 4. Investments | 31 March 2003 £ | 31 March 2002 £ |
|----------------|--------------------|--------------------|
|----------------|--------------------|--------------------|

Shares in Anglo Beef Processors Limited (at cost)

2

2

Particulars of subsidiary undertakings:

| Name | Nature of Business | Shares Held | Percentage | Country of Registration |
|---------------------------|--------------------|-------------|------------|-------------------------|
| Anglo Beef Processors Ltd | Meat Processing | 2 | 100% | UK |
| Lurgan Chilling Ltd | Meat Processing | 1,000,000 | 100% | Northern Ireland |

Anglo Beef Processors Limited is a direct subsidiary of the company. Lurgan Chilling Limited is a subsidiary of Anglo Beef Processors Limited.

| 5. Debtors | 31 March 2003 £'000 | 31 March 2002 £'000 |
|------------|------------------------|------------------------|
|------------|------------------------|------------------------|

Debtors: amounts falling due within one year

Finance lease receivables - group companies

1,409

1,176

Dividend Receivable

1,550

3,170

Prepayments, Sundry debtors and Accrued Income

2

3

2,961

4,349

Debtors: amounts falling due after more than one year

Finance lease receivables - group companies

8,331

8,053

11,292

12,402

Maldome Limited

Notes to the Financial Statements (continued)

Year Ended 31 March 2003

| 6. Creditors: amounts falling due within one year | 31 March 2003 £'000 | 31 March 2002 £'000 |
|---|------------------------|------------------------|
| Taxation - VAT Payable | 29 | 6 |
| Dividend Payable | 1,675 | 2,530 |
| Amounts owed to Group Companies | 1,998 | 8,953 |
| | <u>3,702</u> | <u>11,489</u> |

| 7. Creditors: amounts falling due in more than one year | 31 March 2003 £'000 | 31 March 2002 £'000 |
|---|------------------------|------------------------|
| Amounts owed to Group Companies | <u>8,959</u> | <u>-</u> |

8. Provisions for liabilities and charges

The deferred tax liability comprises the following:

| | 31 March 2003 £'000 | 31 March 2002 £'000 |
|---|------------------------|------------------------|
| Capital allowances in advance of depreciation | <u>1,015</u> | <u>909</u> |
| | <u>1,015</u> | <u>909</u> |

The movements on the deferred tax account during the year are as follows:

| | 31 March 2003 £'000 | 31 March 2002 £'000 |
|-----------------|------------------------|------------------------|
| Opening balance | 909 | 775 |
| Charge for year | 106 | 134 |
| Closing balance | <u>1,015</u> | <u>909</u> |

The provision for deferred taxation arises as a result of timing differences in the recognition of capital allowances on plant and machinery held in respect of finance leases and the related income from those assets.

| 9. Share Capital | 31 March 2003 £ | 31 March 2002 £ |
|--|--------------------|--------------------|
| Authorised: | | |
| 100 Ordinary Shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted, Called Up and Fully Paid: | | |
| 2 Ordinary Shares of £1 each | <u>2</u> | <u>2</u> |

Maldome Limited

Notes to the Financial Statements (continued)

Year Ended 31 March 2003

10. Reconciliation of Movement in Equity Shareholders' Funds

| | 31 March 2003 £'000 | 31 March 2002 £'000 |
|---|------------------------|------------------------|
| The movement in Shareholders' Funds is as follows: | | |
| Profit on ordinary activities after taxation | 4,426 | 7,699 |
| Dividend Paid | (2,500) | (4,390) |
| Dividend Payable | (1,675) | (2,530) |
| Net Increase in Shareholders Funds | 251 | 779 |
| Opening Shareholders' Funds at 1 April 2002 | 5 | (774) |
| Closing Shareholders' Funds at 31 March 2003 | 256 | 5 |

11. Ultimate Parent Company and Ultimate Controlling Party

The company is a subsidiary of Irish Food Processors, a company incorporated in the Republic of Ireland. Anglo Beef Processors Holdings Limited, a company incorporated in the United Kingdom, is the immediate parent company. Anglo Beef Processors (UK) Limited, a company incorporated in the United Kingdom, is an intermediate parent of the company.

The smallest group into which the results of the company are consolidated is Anglo Beef Processors (UK) Limited. The consolidated financial statements of Anglo Beef Processors (UK) Limited are available from Companies House, Crown Way, Maindy, Cardiff.

Mr. L Goodman, or entities connected with or controlled by him, have a beneficial interest in 100% of the share capital of the company.

12. Contingencies

In March 1998, Anglo Beef Processors Holdings Limited raised US\$55m (£33.3m) of senior unsecured notes in a private placement with US institutional investors. The company and certain other group companies have guaranteed the repayment of these US\$ senior unsecured notes. These notes are repayable in annual amounts of US\$11m. The first three instalments have been repaid. This liability, and the related funds received, have been swapped into Sterling and Euro at a margin over LIBOR/EURIBOR. As a result, the repayment obligation has been effectively converted into a Sterling and Euro obligation.

In February 2003, Anglo Beef Processors (UK) Limited raised US\$60m (£37.2m) of senior unsecured notes in a private placement with US institutional investors. The company and certain other group companies have guaranteed the repayment of these US\$ senior unsecured notes. These notes are repayable by annual instalments of US\$12m commencing on 14 February 2006. This liability, and the related funds received, have been swapped into Euro at a margin over EURIBOR. As a result, the repayment obligation has been effectively converted into a Euro obligation.

13. Related Party Transactions

The group has availed of the exemption contained in FRS 8 "Related Party Disclosures" in respect of subsidiary undertakings, 90 per cent or more of whose voting rights, are controlled within a group. Consequently, the financial statements do not contain disclosure of transactions with entities in the Irish Food Processors group.

14. Reporting Currency

The currency used in these financial statements is the pound sterling denoted by the symbol £.

15. Approval of Financial Statements

The financial statements were approved by the directors on 30 January 2004.