

**Maldome Limited**

**Directors' Report and Financial Statements**

**Year Ended 31 March 2002**

**Company Reference Number 2913976**



# **Maldome Limited**

## **Directors' Report and Financial Statements Year Ended 31 March 2002**

### **Table of Contents**

	<b>Page</b>
Directors and Other Information	2
Report of the Directors	3 - 4
Directors' Responsibilities Statement for the Financial Statements	5
Independent Auditors' Report	6
Profit and Loss Account	7
Statement of Movement in Retained Profits	8
Statement of Total Recognised Gains and Losses	8
Balance Sheet	9
Statement of Accounting Policies and Estimation Techniques	10 - 11
Notes to the Financial Statements	12 - 15

# **Maldome Limited**

**Year Ended 31 March 2002**

## **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

### **Companies Office Number**

2913976

# **Maldome Limited**

## **Report of the Directors**

### **in Respect of the Year Ended 31 March 2002**

The directors submit their report together with the audited financial statements for the year ended 31 March 2002.

#### **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 page 7 . During the financial year the directors declared and paid dividends of £11.096m. This includes dividends of £6.706m provision for which was included in the prior year's financial statements. Since the financial year end the directors have declared dividends of £2.530m, provision for which has been included in the financial statements.

#### **Business Review**

##### ***Operations***

During the year ended 31 March 2002, the company's operating profit on ordinary activities after taxation amounted to £7.699m (2001: £9.359m). The directors are satisfied with the results for the year.

#### **Directors**

The directors of the company at 31 March 2002, were:-

L. Goodman  
J. O' Donnell  
R. Cracknell  
D. Benson

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

A. Rees resigned as director on 23 August 2001 and D. Benson was appointed director on that date.

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 2002 (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.

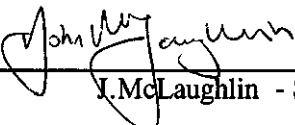
None of the directors nor the company secretary have any other beneficial interest in the share capital of the company or its ultimate parent company.

No contracts of significance in relation to the company existed at any time during the year ended 31 March 2002, 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

**24 January 2003**

# **Maldome Limited**

**Year Ended 31 March 2002**

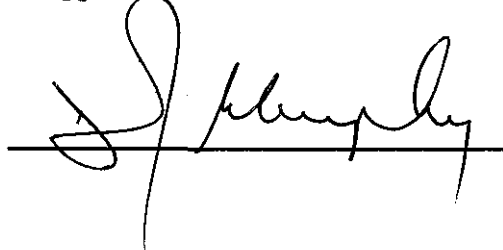
## **Directors' Responsibilities Statement for the Financial Statements**

United Kingdom company law requires the directors to prepare financial statements for each financial year that 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 'J. Murphy', is written over a horizontal line.

**Director**

**24 January 2003**

# Maldome Limited

Year Ended 31 March 2002

## Independent Auditors' Report to the Members of Maldome Limited

We have audited the financial statements of Maldome Limited for the year ended 31 March 2002 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 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.

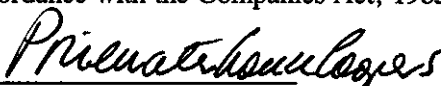
### Basis of audit opinion

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 2002, 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

24 January 2003

# Maldome Limited

## Profit and Loss Account for the Year Ended 31 March 2002

		Year Ended 31 March 2002	Year Ended 31 March 2001 (as restated)
		£'000	£'000
	<u>Notes</u>		
Income from shares in group undertakings		7,170	8,907
Interest Receivable	1	<u>663</u>	<u>623</u>
<b>Profit on Ordinary Activities before Taxation</b>		7,833	9,530
Tax on Profit on Ordinary Activities	2	<u>(134)</u>	<u>(171)</u>
<b>Profit on Ordinary Activities after Taxation</b>		7,699	9,359
Dividend Paid	3	(4,390)	(4,197)
Dividend Payable	3	<u>(2,530)</u>	<u>(6,706)</u>
<b>Profit retained/(loss absorbed) for the Year</b>		<u><u>779</u></u>	<u><u>(1,544)</u></u>

In arriving at the profit retained/(loss absorbed) for the year, all amounts above relate to continuing operations.



**Maldome Limited**

**Statement of Movement in Retained Profits**

**for the Year Ended 31 March 2002**

	Year Ended 31 March 2002  £'000	Year Ended 31 March 2001 (as restated) £'000
(Accumulated Losses)/Retained Profits at 1 April 2001	(774)	1,374
Prior year adjustment	<u>-</u>	<u>(604)</u>
(Accumulated Losses)/Retained Profits at 1 April 2001 (as restated)	(774)	770
Profit retained/(loss absorbed) for the Year	<u>779</u>	<u>(1,544)</u>
Retained Profits at 31 March 2002	<u><u>5</u></u>	<u><u>(774)</u></u>

**Statement of Total Recognised Gains and Losses**

**For the Year ended 31 March 2002**

	Year Ended 31 March 2002 £'000	Year Ended 31 March 2001 £'000
Profit on ordinary activities after taxation	7,699	9,359
Prior Year Adjustment	(775)	-
Total recognised gains since last financial statements	<u><u>7,699</u></u>	<u><u>9,359</u></u>

**Note of Historical Cost Profits and Losses**

There is no difference between the profit on ordinary activities before taxation and the profit retained for the year stated above and their historical cost equivalents.

**Prior Year Adjustment**

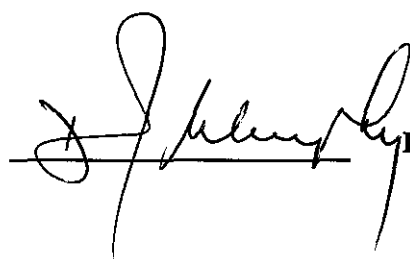
On the implementation of FRS 19 "Deferred Tax", deferred tax provisions have been restated by way of prior year adjustment.

**Maldome Limited**

**Balance Sheet at 31 March 2002**

		<u>31 March 2002</u>		<u>31 March 2001</u>	
	Notes	£'000	£'000	(as restated) £'000	£'000
<b>Fixed Assets</b>					
Investments	4		-		-
<b>Current Assets</b>					
Debtors	5	12,402		13,313	
Cash at Bank		<u>1</u>		<u>1</u>	
		12,403		13,314	
<b>Creditors: amounts falling due within one year</b>	6	<u>(11,489)</u>		<u>(13,313)</u>	
<b>Net Current Assets</b>			<u>914</u>		<u>1</u>
<b>Total Assets less Current Liabilities</b>			914		1
<b>Provisions for liabilities and charges</b>	7		<u>(909)</u>		<u>(775)</u>
			<u>5</u>		<u>(774)</u>
<b>Capital and Reserves</b>					
Called up Share Capital	8		-		-
Profit and Loss Account			<u>5</u>		<u>(774)</u>
<b>Equity Shareholders' Funds</b>	9		<u>5</u>		<u>(774)</u>

These financial statements were approved by the Board of Directors on 24 January 2003


 Director

**Statement of Accounting Policies and Estimation Techniques**

**Year Ended 31 March 2002**

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

**Basis of Accounting**

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.

**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**

- (a) Corporation tax is calculated on the profits for the for the year as adjusted for group relief.
- (b) Tax losses utilised for group relief are transferred between group members.

**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 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 with in 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 (Holdings) Limited, a company incorporated in the United Kingdom which prepares group financial statements. Anglo Beef Processors (Holdings) Limited will file its consolidated financial statements with the Registrar of Companies.

**Statement of Accounting Policies and Estimation Techniques (continued)**

**Year Ended 31 March 2002**

**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.

**Provisions**

A provision is defined as a liability of uncertain timing or amount. Provisions are recognised when the company has a legal or constructive obligation as a result of past events and a reliable estimate of that obligation can be made.

**Notes to the Financial Statements**

**Year Ended 31 March 2002**

**1. Interest Receivable (net)**

	Year Ended 31 March 2002 £'000	Year Ended 31 March 2001 £'000
Lease Interest Receivable from Group Companies	665	622
Bank charges	(2)	-
Deposit Interest	-	1
	<u>663</u>	<u>623</u>

**2. Tax on Profit on Ordinary Activities**

	Year Ended 31 March 2002 £'000	Year Ended 31 March 2001 (as restated) £'000
<b>(a) Analysis of charge for year</b>		
Corporation Tax Payable	-	-
<b>Deferred Tax:</b>		
Origination and reversal of timing differences	134	171
<b>Tax on profit on ordinary activities</b>	<u>134</u>	<u>171</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 2002 £'000	Year Ended 31 March 2001 (as restated) £'000
Profit on ordinary activities before taxation	<u>7,833</u>	<u>9,530</u>
Profit on ordinary activities multiplied by the average rate of corporation tax 30% (2001: 30%)	2,350	2,859
Effects of:-		
Capital allowances	(451)	(428)
Income not subject to taxation	(2,151)	(2,672)
Other	321	257
Group relief	(69)	(16)
<b>Current tax charge for period (note 2(a))</b>	<u>Nil</u>	<u>Nil</u>

# Maldome Limited

## Notes to the Financial Statements (continued)

### Year Ended 31 March 2002

#### 3. Dividends payable - equity shares

	31 March 2002 £'000	31 March 2001 £'000
Dividend payable on equity shares:		
Ordinary dividend paid amounting to a total of £2.195m (2001: £2.098m) per share	4,390	4,197
Ordinary dividend payable amounting to a total of £1.265m (2001: £3.353m) per share	2,530	6,706
	<u>6,920</u>	<u>10,903</u>

#### 4. Investments

	31 March 2002 £	31 March 2001 £
Shares in Anglo Beef Processors Limited (at cost)	<u>2</u>	<u>2</u>

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 2002 £'000	31 March 2001 £'000
<b>Debtors: Amounts falling due within one year</b>		
Finance lease receivables - group companies	1,176	1,048
Dividend Receivable	3,170	4,711
Prepayments, Sundry debtors and Accrued Income	3	5
	<u>4,349</u>	<u>5,764</u>
<b>Debtors: Amounts falling due after more than one year</b>		
Finance lease receivables - group companies	8,053	7,549
	<u>12,402</u>	<u>13,313</u>

**Notes to the Financial Statements (continued)**

**Year Ended 31 March 2002**

**6. Creditors: amounts falling due within one year**

	31 March 2002 £'000	31 March 2001 £'000
Taxation - VAT Payable	6	5
Dividend Payable	2,530	6,706
Amounts owed to Group Companies	8,953	6,602
	<u>11,489</u>	<u>13,313</u>

**7. Provision for liabilities and charges**

The deferred tax liability comprises the following:

	31 March 2002 £'000	31 March 2001 £'000
Capital allowances	909	775
	<u>909</u>	<u>775</u>

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

	31 March 2002 £'000	31 March 2001 £'000
Opening balance	775	604
Charge for year	134	171
Closing balance	<u>909</u>	<u>775</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.

The company's accounting policy for deferred taxation was changed during the year to comply with FRS19 "Deferred Taxation". The comparative figures in the financial statements and notes have been restated to reflect this new policy.

In accordance with FRS 19, the company's policy is now to provide for taxation on a full liability basis and to recognise deferred tax liabilities to the extent that the company is required to pay more tax in the future as a result of events that have occurred at the balance sheet date. The adjustment is shown as a prior year adjustment.

**8. Share Capital**

	31 March 2002 £	31 March 2001 £
<b>Authorised:</b>		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, Called Up and Fully Paid:</b>		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

**Notes to the Financial Statements (continued)**

**Year Ended 31 March 2002**

**9. Reconciliation of Movement in Equity Shareholders' Funds**

	31 March 2002	31 March 2001 (as restated)
	£'000	£'000
The movement in Shareholders' Funds is as follows:		
Profit on ordinary activities after taxation	7,699	9,359
Dividend Paid	(4,390)	(4,197)
Dividend Payable	(2,530)	(6,706)
<b>Net Increase/(Decrease) in Shareholders Funds</b>	<u>779</u>	<u>(1,544)</u>
Opening total shareholders' funds (at 1 April 2001 £0.001m before deducting prior year adjustment of £0.775 m, at 1 April 2000, £1.374m before deducting prior year adjustment of £0.604m)	<u>(774)</u>	<u>770</u>
<b>Closing Shareholders' Funds at 31 March 2002</b>	<u><u>5</u></u>	<u><u>(774)</u></u>

**10. Ultimate Parent Company and Ultimate Controlling Party**

The company is a subsidiary of Irish Food Processors Limited, a company incorporated in the Republic of Ireland. Anglo Beef Processors Holdings Limited, a company also 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 Holdings Limited. The consolidated financial statements of Anglo Beef Processors Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff.

The results of the company are included in the consolidated financial statements of Irish Food Processors Limited and subsidiaries. Copies of the financial statements of Irish Food Processors Limited may be obtained from the Registrar of Companies, Dublin.

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

**11. Contingencies**

**Senior unsecured notes**

In March 1998, the company's immediate parent, Anglo Beef Processors Holdings Limited, raised US\$55m (£32.5m) of senior unsecured notes in a private placement with US institutional investors. This company and certain other group members have guaranteed the repayment of these loan notes. These notes are repayable by Anglo Beef Processors Holdings Limited in annual amounts of US\$11m, beginning in March 2001. This liability and the related funds received have been swapped into sterling at a margin over LIBOR/EURIBOR. The amount outstanding in respect of these loan notes at 31 March 2002 was £19.973m.

**12. 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 Limited Group.

**13. Reporting Currency**

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

**14. Approval of Financial Statements**

The financial statements were approved by the directors on 24 January 2003.