

Maldome Limited

Directors' Report and Consolidated Financial Statements

Year Ended 31 March 1999

Company Reference Number 2913976



Maldome Limited

Directors' Report and Consolidated Financial Statements Year Ended 31 March 1999

Table of Contents

	Page
Directors and Other Information	2
Report of the Directors	3 - 5
Directors' Responsibilities Statement for the Financial Statements	6
Auditors' Report	7
Consolidated Profit and Loss Account	8
Consolidated Statement of Movement in Retained Profits	9
Consolidated Balance Sheet	10
Company Balance Sheet	11
Statement of Accounting Policies	12 - 13
Notes to the Financial Statements	14 - 25

Maldome Limited

Year Ended 31 March 1999

Directors and Other Information

Directors

L. Goodman
J. O'Donnell
R. Cracknell
A. Rees
T. Kirwan
D. Fleetwood

Registered Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Wilton Place
Dublin 2

Secretary

J. McLaughlin

Solicitors

Clyde & Company
51 Eastcheap
London

Registered Office

Battlefield Road
Harlescott
Shrewsbury
Shropshire
SY1 4AH

Companies Office Number

2913976

Maldome Limited

Report of the Directors

in Respect of the Year Ended 31 March 1999

The directors submit their report together with the audited financial statements for the year ended 31 March 1999.

1. Principal Activities

Maldome Limited is the parent undertaking of Anglo Beef Processors Limited and subsidiaries. The activities of Anglo Beef Processors Limited are principally the processing and export of meat and the operation of coldstores.

2. Results and Dividends

The results of the group for the year are set out on pages 8 and 9. Since the financial year end the directors have declared dividends of IR£4.6m, provision for which has been made in these financial statements.

3. Business Review

Operations

During the year ended 31 March 1999, the consolidated operating profit amounted to £7.3m. This is a very strong performance.

Current and Future Developments

The group and company will continue to develop its overall business in order to achieve increased profitability.

4. Research & Development

The group is committed to the ongoing development of advanced meat processing and packaging techniques and is working in conjunction with some of its major customers and suppliers to sustain consumer confidence and provide a quality product which is traceable, effectively marketed and competitively priced. All related costs are written off as incurred.

5. Charitable and Political Contributions

The group made no significant charitable or political contributions during the year.

Report of the Directors

in Respect of the Year Ended 31 March 1999 (continued)

6. Directors

The directors of the company at 31 March 1999, were:-

L. Goodman
J. O' Donnell
R. Cracknell
A. Rees
T. Kirwan
D. Fleetwood

All of the above individuals were directors for the whole of the year ended 31 March 1999. The directors are not required by the Articles of Association to retire by rotation.

7. Employment Policies

- (i) The group consults and discusses with employees, through unions, staff councils, consultative committees and at conferences, matters likely to affect employees' interests.
- (ii) Information on matters of concern to employees is given through information bulletins, meetings and reports, including information to help employees achieve a common awareness of the financial and economic factors affecting the performance of the group.
- (iii) The policy of the group for the employment of disabled persons is to provide equal opportunities with other employees to train for and attain any position in the group, having regard to the maintenance of a safe working environment and the constraints of their disabilities.

Maldome Limited

Report of the Directors

in Respect of the Year Ended 31 March 1999 (continued)

8. Interests of Directors and Secretary

The beneficial interests of the directors, or of entities in which they are shareholders or directors, in the share capital of Irish Food Processors Limited, the company's parent, were as follows:-

	31 March 1998
	&
	31 March 1999
	Ordinary Shares
	Number
L. Goodman	18,000,000

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 group or company existed at any time during the year ended 31 March 1999, in which the directors of the company had any material interest.

9. Year 2000

Many computer and digital storage systems express dates using only the last two digits for the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and commercial disruption.

The group have assessed the potential impact of the above on the group, its suppliers and customers and has developed action plans designed to address the key issues in advance of critical dates and without disruption to the group's business.

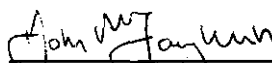
In the directors' opinion, the incremental costs associated with Year 2000 compliance are not expected to be material.

10. Euro

The group has reviewed the effect the Euro will have on its commercial and financial processes. The company views the introduction of the Euro primarily as a business opportunity. Procedures are being put in place on a phased basis to deal with issues arising from the introduction of the Euro.

11. The auditors, Coopers & Lybrand, who now practise in the name PricewaterhouseCoopers, have expressed their willingness to continue in office.

By Order of the Board:


J. Mc Laughlin - Secretary

28 January 2000
Dublin

Maldome Limited

Year Ended 31 March 1999

Directors' Responsibilities Statement for the Financial Statements

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 group, and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgments 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and company, and enable them to ensure that the financial statements comply with the Companies Act, 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved on Behalf of the Board:



Director

28 January 2000
Dublin

Maldome Limited

Year Ended 31 March 1999

Auditors' Report to the Members of Maldome Limited

We have audited the financial statements on pages 8 to 25, which have been prepared under the historical cost convention and accounting policies set out on pages 12 and 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Directors' Report, and as described on page 6, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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 Companies Act, 1985. We report to you if we have not received all the information and explanations we require for the purposes of our audit. We also report to you if in our opinion:

- * the company has not kept proper books of account; and
- * the directors' report is not consistent with the financial statements.

We also report to you if, in our opinion, any information required by law regarding directors' remuneration or directors' transactions is not disclosed.


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 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 affairs of the company and of the group at 31 March 1999 and of the results of the group for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

28 January 2000

Maldome Limited

Consolidated Profit and Loss Account

for the Year Ended 31 March 1999

		Year Ended 31 March 1999 £'000	Year Ended 31 March 1998 £'000
	<u>Notes</u>		
Turnover		<u>315,256</u>	<u>326,724</u>
Operating Profit before Exceptional Items		5,890	5,670
Exceptional Gain	3	<u>1,382</u>	<u>-</u>
Operating Profit	4,6	<u>7,272</u>	<u>5,670</u>
Interest Payable and Similar Charges	7	<u>(72)</u>	<u>(3,274)</u>
Profit on Ordinary Activities before Taxation		<u>7,200</u>	<u>2,396</u>
Tax on Profit on Ordinary Activities	9	<u>(16)</u>	<u>-</u>
Profit on Ordinary Activities after Taxation		7,184	2,396
Dividend Payable	10	<u>(4,600)</u>	<u>-</u>
Profit Retained for the Year		<u><u>2,584</u></u>	<u><u>2,396</u></u>

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

Maldome Limited

Consolidated Statement of Movement in Retained Profits

for the Year ended 31 March 1999

	Year Ended 31 March 1999 £'000	Year Ended 31 March 1998 £'000
Retained Profits at 31 March 1998	469	(1,927)
Profit Retained for the Year	2,584	2,396
Transfer from Capital Reserve	<u>11,491</u>	<u>-</u>
Retained Profits at 31 March 1999	<u>14,544</u>	<u>469</u>

The group has no recognised gains and losses other than those included in the profit and loss account and, therefore, no separate statement of total recognised gains and losses has been presented.

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 on an historical cost basis and corresponding amounts stated in the profit and loss account.

Maldome Limited

Consolidated Balance Sheet at 31 March 1999

	Notes	31 March 1999		31 March 1998	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	11		32,360		28,005
Current Assets					
Stocks	13	14,762		13,538	
Debtors	14	27,542		27,828	
Government Gilts		-		50	
Cash at bank and in hand		2,082		3,411	
		<u>44,386</u>		<u>44,827</u>	
Creditors: amounts falling due within one year	15	<u>(34,393)</u>		<u>(31,900)</u>	
Net Current Assets			<u>9,993</u>		<u>12,927</u>
Total Assets less Current Liabilities			42,353		40,932
Creditors: amounts falling due after more than one year	16		(26,180)		(26,180)
Provisions for liabilities & charges	17		(760)		(2,142)
Government Grants	18		(869)		(650)
			<u>14,544</u>		<u>11,960</u>
Capital and Reserves					
Called up Share Capital	20		-		-
Capital Reserve	21		-		11,491
Profit and Loss Account			14,544		469
Equity Shareholders' Funds	22		<u>14,544</u>		<u>11,960</u>

These financial statements were approved by the Board of Directors on 28 January 2000



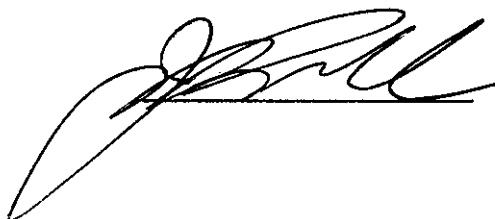
Director

Maldome Limited

Company Balance Sheet at 31 March 1999

	Notes	<u>31 March 1999</u>		<u>31 March 1998</u>	
		£'000	£'000	£'000	£'000
Fixed Assets					
Investment	12		-		-
Current Assets					
Debtors	14	12,687		4,357	
Government Gilts		-		50	
Cash at Bank		<u>1,176</u>		<u>521</u>	
		13,863		4,928	
Creditors: amounts falling due within one year	15	<u>(13,098)</u>		<u>(4,528)</u>	
Net Current Assets			<u>765</u>		<u>400</u>
Total Assets less Current Liabilities			<u><u>765</u></u>		<u><u>400</u></u>
Capital and Reserves					
Called up Share Capital	20		-		-
Profit and Loss Account	23		<u>765</u>		<u>400</u>
Equity Shareholders' Funds			<u><u>765</u></u>		<u><u>400</u></u>

These financial statements were approved by the Board of Directors on 28 January 2000

 Director

Maldome Limited

Year Ended 31 March 1999

Statement of Accounting Policies

A. Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with generally accepted accounting standards which are operative at 31 March 1999.

B. Cash Flow Statement

Advantage has been taken of the exemptions in Financial Reporting Standard ("FRS") 1, 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.

C. Investments in Subsidiaries

Investments in subsidiaries are valued at the lower of cost or net realisable value.

D. Consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries.

Negative goodwill arising on acquisitions prior to 31 March 1998, being the excess of the fair value of net assets acquired over the consideration, was treated as a capital reserve arising on acquisition.

Goodwill arising on acquisitions, prior to 31 March 1998 being the excess of the consideration over the fair value of the net assets acquired, was transferred to reserves on consolidation.

Goodwill arising on acquisitions after 31 March 1998 is capitalised and is amortised to the profit and loss account over its expected useful life. Negative goodwill arising on acquisitions after 31 March 1998 is credited to intangible assets on the balance sheet and is amortised to the profit and loss account over the period in which the acquired non-monetary assets are recovered.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the date of their acquisition or up to the date of their disposal.

E. Tangible Fixed Assets

Tangible fixed assets are carried at cost less accumulated depreciation.

F. Depreciation

Depreciation is calculated so as to write off the cost of each fixed asset during its expected useful life on a straight line basis over the following periods:-

	Years
Buildings	30 - 40
Plant & Machinery	10 - 15

Land is not depreciated.

Statement of Accounting Policies (continued)

G. Government Grants

Government Capital Grants are treated as a deferred credit and are amortised over the expected useful lives of the related assets.

H. Leasing

Assets acquired under finance leases are capitalised and included in tangible fixed assets and depreciated in accordance with Group depreciation policy.

Assets leased under operating leases are not capitalised and payments under such leases are expensed over the period of the lease.

I. Stocks

Stocks are valued at the lower of cost and net realisable value on a first in, first out basis. Cost is determined by reference to purchase price together with all production related costs incurred in bringing the product to its present location and condition. Net realisable value comprises the actual or expected selling price less all costs to be incurred in marketing, selling and distribution. Provision is made, where necessary, for obsolete and slow moving stocks.

J. Deferred Taxation

Deferred taxation is provided using the liability method on timing differences to the extent that it is expected to become payable in the foreseeable future.

Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

K. Foreign Currencies

The currency used in these financial statements is pounds sterling, denoted by the symbol "£".

Transactions expressed in foreign currencies are translated into 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.

L. Pensions

Pension Liabilities are independently assessed in accordance with the advice of professionally qualified actuaries. Pension costs are charged to the profit and loss account over the employees' service lives at a constant percentage of earnings.

Year Ended 31 March 1999

Notes to the Financial Statements

1. Turnover and Segmental Reporting

Turnover represents the invoiced value of goods sold and services supplied to third parties exclusive of value added tax.

(a)	Turnover	Year Ended	Year Ended
		31 March 1999	31 March 1998
		£'000	£'000

The analysis of turnover by activity is as follows:-

Activity:

Meat Processing	<u>315,256</u>	<u>326,724</u>
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(b) Geographical destination & Segmental Information

Further information relating to the various operating segments of the group is not disclosed as the directors are of the opinion that disclosure of such information would be prejudicial to the interests of the group.

Maldome Limited

Year Ended 31 March 1999

Notes to the Financial Statements (continued)

3. Exceptional gain

	Year Ended 31 March 1999 £'000	Year Ended 31 March 1998 £'000
Provision no longer required	<u>1,382</u>	<u>Nil</u>

Due to a change in circumstances during the financial year ended 31 March 1999, an exceptional rationalisation provision created in 1997, amounting to £1m was released as it was no longer required. A further provision of £0.56m was created during the year.

In addition the company are no longer required to transfer economic benefit in respect of certain provisions and liabilities acquired as part of an acquisition. Consequently provision of £0.942m were released.

4. Operating Profit

	Year Ended 31 March 1999 £'000	Year Ended 31 March 1998 £'000
Turnover	315,256	326,724
Cost of Sales	<u>(282,619)</u>	<u>(297,451)</u>
Gross Profit	32,637	29,273
Distribution Expenses	(10,939)	(9,390)
Administrative Expenses	(15,835)	(14,257)
Exceptional Gain	1,382	-
Other Operating Income	<u>27</u>	<u>44</u>
Operating Profit	<u>7,272</u>	<u>5,670</u>

Maldome Limited

Year Ended 31 March 1999

Notes to the Financial Statements (continued)

5. Employees

The average weekly number of employees, including executive directors, during the year, analysed by category, was as follows:-

	Year Ended 31 March 1999 Number	Year Ended 31 March 1998 Number
Management	96	96
Production	1,806	1,833
Distribution	128	65
Administration	151	110
	<u>2,181</u>	<u>2,104</u>

The aggregate payroll costs of these employees, including executive directors, were as follows:

	Year Ended 31 March 1999 £'000	Year Ended 31 March 1998 £'000
Wages and Salaries	30,978	27,867
Social Welfare Costs	2,657	2,383
Pension Costs	265	119
	<u>33,900</u>	<u>30,369</u>

The aggregate payroll costs include a charge of £200,000 (1998: £100,000) in respect of contributions to the employee benefit trust, the Irish Food Processors UK Employees Discretionary Profit Pool, administered by Yarof Limited, a member of the group, as trustee.

Maldome Limited

Year Ended 31 March 1999

Notes to the Financial Statements (continued)

6. Operating Profit

	Year Ended 31 March 1999 £'000	Year Ended 31 March 1998 £'000
Operating Profit is stated after Charging/(Crediting):-		
Depreciation on Tangible Fixed Assets:		
Owned Assets	<u>1,911</u>	<u>1,530</u>
Auditors' Remuneration	<u>100</u>	<u>108</u>
Operating Lease Rentals	<u>718</u>	<u>508</u>
Exchange Gain on net Foreign Currency Monetary Assets	<u>90</u>	<u>(145)</u>
Amortisation of Capital Grants	<u>(45)</u>	<u>(30)</u>

7. Interest Payable and Similar Costs

	Year Ended 31 March 1999 £'000	Year Ended 31 March 1998 £'000
Interest Payable and Similar Charges on Bank Loans and Overdrafts (see note 19)	74	1,447
Interest Payable to Group Companies	-	1,898
Interest Receivable	<u>(2)</u>	<u>(71)</u>
	<u>72</u>	<u>3,274</u>

Maldome Limited

Year Ended 31 March 1999

Notes to the Financial Statements (continued)

8. Emoluments of Directors

	Year Ended 31 March 1999 £'000	Year Ended 31 March 1998 £'000
Directors' emoluments	<u>426</u>	<u>494</u>

The emoluments of the highest paid director were £127,000 (1998: £178,000)

The highest paid director is a member of a defined benefit scheme, under which the accrued pension to which he would be entitled from normal retirement date if he were to retire at the year end, was £12,000 (1998: £10,000).

	Year Ended 31 March 1999 Number	Year Ended 31 March 1998 Number
Retirement benefits accrue to the following number of directors under:		
Defined benefit schemes	<u>4</u>	<u>4</u>

9. Tax on Profit on Ordinary Activities

	Year Ended 31 March 1999 £'000	Year Ended 31 March 1998 £'000
Corporation tax and related charges	<u>16</u>	<u>-</u>

The corporation tax charge has been reduced as a result of the availability of accelerated capital allowances.

10. Dividend payable

	Year Ended 31 March 1999 £'000	Year Ended 31 March 1998 £'000
Dividend on equity shares:		
Ordinary dividend amounting to a total of £2.3m (1998: £Nil) per share.	<u>4,600</u>	<u>-</u>

Maldome Limited**Year Ended 31 March 1999****Notes to the Financial Statements (continued)****11. Fixed Assets**

	Land & Buildings £'000	Plant & Equipment £'000	Total £'000
Cost			
At 1 April 1998	16,570	15,497	32,067
Additions	<u>3,698</u>	<u>2,568</u>	<u>6,266</u>
At 31 March 1999	<u>20,268</u>	<u>18,065</u>	<u>38,333</u>
Depreciation			
At 1 April 1998	1,749	2,313	4,062
Charge for the Year	<u>395</u>	<u>1,516</u>	<u>1,911</u>
At 31 March 1999	<u>2,144</u>	<u>3,829</u>	<u>5,973</u>
Net Book Value at 31 March 1999	<u>18,124</u>	<u>14,236</u>	<u>32,360</u>
Net Book Value at 31 March 1998	<u>14,821</u>	<u>13,184</u>	<u>28,005</u>

Maldome Limited

Year Ended 31 March 1999

Notes to the Financial Statements (continued)

12. Investments

	31 March 1999	31 March 1998
	£	£
Company		
Shares in Anglo Beef Processors Limited - incorporated in the United Kingdom (£2)	<u>2</u>	<u>2</u>

Investments are carried at cost.

Particulars of subsidiary undertakings:

Name	Nature of Business	Shares Held	Percentage	Country of Registration
Anglo Beef Processors Ltd	Meat Processor	2	100%	UK
Yarof Ltd	Employee Trust	2	100%	UK
Lurgan Chilling Ltd	Meat Processor	1,000,000	100%	Northern Ireland

Anglo Beef Processors Limited is a direct subsidiary of the company. All of the other companies above are subsidiaries of Anglo Beef Processors Limited.

13. Stocks

	31 March 1999	31 March 1998
	£'000	£'000
Group		
Raw Materials and Consumables	3,480	3,728
Work in Progress	49	161
Finished Goods and Goods for Resale	<u>11,233</u>	<u>9,649</u>
	<u>14,762</u>	<u>13,538</u>

The estimated replacement costs of stocks are not considered to be materially different from their balance sheet value.

Maldome Limited

Year Ended 31 March 1999

Notes to the Financial Statements (continued)

14. Debtors

	31 March 1999 £'000	31 March 1998 £'000
(a) Group		
Trade Debtors	22,505	24,718
Amounts owed by Group Companies	2,811	155
Prepayments, Sundry Debtors and Accrued Income	2,226	2,955
	<u>27,542</u>	<u>27,828</u>

All amounts fall due within one year.

	31 March 1999 £'000	31 March 1998 £'000
(b) Company		
Debtors: Amounts falling due within one year		
Finance Lease receivables - group companies	658	359
Dividend Receivable	4,600	-
Prepayments, Sundry debtors and Accrued Income	537	3
	<u>5,795</u>	<u>362</u>

Debtors: Amounts falling due after more than one year

Finance lease receivables - group companies	6,892	3,995
Total Debtors	<u>12,687</u>	<u>4,357</u>

Maldome Limited

Year Ended 31 March 1999

Notes to the Financial Statements (continued)

15. Creditors: amounts falling due within one year

	31 March 1999 £'000	31 March 1998 £'000
(a) Group		
Bank Loans and Overdrafts (see note 19)	6,113	1,478
Trade Creditors	11,001	10,757
Amounts owed to Group Companies	4,261	11,439
Other Creditors	4,104	3,889
Taxation and Social Welfare	912	869
Dividend Payable	4,600	-
Accruals and Deferred Income	3,402	3,468
	<u>34,393</u>	<u>31,900</u>

Taxation and Social Welfare includes:-

	31 March 1999 £'000	31 March 1998 £'000
PAYE	424	382
VAT	89	100
	<u>513</u>	<u>482</u>
Social Welfare	399	387
	<u>912</u>	<u>869</u>

	31 March 1999 £'000	31 March 1998 £'000
(b) Company		
Dividend Payable	4,600	-
Amounts owed to Group Companies	8,498	4,528
	<u>13,098</u>	<u>4,528</u>

16. Creditors: amounts falling due after one year

	31 March 1999 £'000	31 March 1998 £'000
Group		
Amounts owed to Group Companies	<u>26,180</u>	<u>26,180</u>

The amount owed to group companies of £26.18m are repayable not later than 31 March 2008.

Maldome Limited

Year Ended 31 March 1999

Notes to the Financial Statements (continued)

17. Provisions for liabilities and charges

	Restructuring £'000	Legal £'000	Total £'000
At 1 April 1998	1,000	1,142	2,142
Profit and loss account:			
Released	(440)	(942)	(1,382)
At 31 March 1999	<u>560</u>	<u>200</u>	<u>760</u>

Restructuring

The company has constructive obligations and costs relating principally to restructuring its operations on an ongoing basis. This restructuring is expected to be completed by March 2000. The amount of the provision is based on estimates prepared by management based on their experience.

Legal and Contractual Obligations

Due to a change in circumstances during the financial year ended 31 March 1999, the company are no longer obliged to transfer economic benefits in respect of certain provisions and liabilities acquired as part of an acquisition. Consequently, these provisions and liabilities were released.

18. Government Grants

	31 March 1999 £'000	31 March 1998 £'000
At 1 April 1998	650	680
Grants Received	264	-
Amortised to the Profit & Loss Account	(45)	(30)
At 31 March 1999	<u>869</u>	<u>650</u>

19. Loans, Overdrafts and Other Facilities

In March 1998, the company's 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.

20. Share Capital

	31 March 1999 £	31 March 1998 £
Authorised:		
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, Called Up and Fully Paid:		
Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

Maldome Limited

Year Ended 31 March 1999

Notes to the Financial Statements (continued)

21. Capital Reserve

	31 March 1999 £'000	31 March 1998 £'000
Group		
At 1 April 1998	11,491	11,491
Transfer to profit and loss account reserve	(11,491)	-
At 31 March 1999	<u>-</u>	<u>11,491</u>

In accordance with the group's accounting policy negative goodwill arising on the acquisitions pre 1 April 1998 credited to reserves amounted to £11.5m. The negative goodwill will be credited in the profit and loss account should the company dispose of the businesses to which it related.

22. Reconciliation of Movement in Equity Shareholders' Funds

	31 March 1999 £'000	31 March 1998 £'000
The movement in Shareholders' Funds is as follows:		
Profit on ordinary activities after taxation	7,184	2,396
Dividend Payable	(4,600)	-
Net Increase in Shareholders Funds	<u>2,584</u>	<u>2,396</u>
Opening Shareholders' Funds at 1 April 1998	<u>11,960</u>	<u>9,564</u>
Closing Shareholders' Funds at 31 March 1999	<u>14,544</u>	<u>11,960</u>

23. Company Profit for the Financial Year

As permitted by Section 230 of the Companies Act 1985, the holdings company's profit and loss account has not been included in these financial statements. The holding company's retained profit for the year was £365,000 (1998: - £395,000)

24 Commitments

Capital Commitments

The group had no material contracted commitments for capital expenditure at 31 March 1999.

25 Contingent Liabilities

Bonds and guarantees

The group has guaranteed bonds and guarantees in respect of sales contracts and EU regulations of £3,737,958.

Deferred taxation

The full potential deferred tax liability at 31 March 1999 amounts to £1m. In the opinion of the directors, no provision is required for the potential deferred tax liability as it will not crystallise in the foreseeable future.

Year Ended 31 March 1999

Notes to the Financial Statements (continued)

26 Pensions

Pensions for certain employees and executive directors are funded through pension schemes which are mainly externally funded defined benefit schemes. These schemes are vested in trustees nominated by the company for the sole benefit of the employees and their dependents. The pension costs and liabilities were assessed by a professionally qualified actuary in April 1996.

The actuarial review is designed so that assets will equal liabilities matured or maturing over twenty years from the valuation date. The actuarial assumption which will have the greatest impact on the pension costs is that the projected annual rate of investment return will exceed the projected annual increase in pensionable salaries by 2%.

The combined market value of assets at their last actuarial review is £3.8m. After allowing for expected future increases in salaries, the total value of scheme assets was sufficient to cover 129% of the value of the pension scheme's accrued benefits based on expected future earnings.

27 Ultimate Parent Company

Anglo Beef Processors Holdings Limited, a company incorporated in the United Kingdom, is an intermediate parent of the company. The company regards Irish Food Processors Limited, a company incorporated in the Republic of Ireland, as its ultimate parent company. The largest and smallest group into which the results of the company are consolidated is that headed by Irish Food Processors Limited.

28 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 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.

29 Reporting Currency

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

30 Comparative amounts

Comparative amounts have been regrouped and restated, where necessary, on the same basis as those for the current year.

31 Approval of Financial Statements

The financial statements were approved by the directors on 28 January 2000.