

Maldome Limited

Directors' Report and Consolidated Financial Statements

Year Ended 31 March 1998

Company Reference Number 2913976



Maldome Limited

Directors' Report and Consolidated Financial Statements Year Ended 31 March 1998

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Maldome Limited

Year Ended 31 March 1998

Directors and Other Information

Directors

L. Goodman
J. O'Donnell
R. Cracknell
A. Rees
T. Kirwan (appointed 19 June 1997)
D. Fleetwood (appointed 19 June 1997)

Registered Auditors

Coopers & Lybrand
George's Quay
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 1998

The directors submit their report together with the audited financial statements for the year ended 31 March 1998.

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 exporting 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. The directors do not recommend the payment of a dividend.

3. Business Review

(i) Financing

The Irish Food Processors Group, to which this group and company are party, were successful in raising US\$55m (£32.5m) in senior unsecured notes in a private placement with US institutional investors. The Irish Food Processors Group used these funds to repay its previous working capital facilities. In addition, the Irish Food Processors Group also refinanced its bonding facility on more favorable terms.

(ii) Operations

During the year ended 31 March 1998, the consolidated operating profit amounted to £5.7m. This is a very strong performance given the continuing impact of the BSE crisis and the resultant decline in UK and European consumption.

(iii) Current and Future Developments

The growth in profitability is to a large extent attributable to the underlying development of the business.

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.

Maldome Limited

Report of the Directors

in Respect of the Year Ended 31 March 1998 (continued)

5. Charitable and Political Contributions

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

6. Directors

The directors of the company at 31 March 1998, were:-

L. Goodman	
J. O' Donnell	
R. Cracknell	
A. Rees	
T. Kirwan	(appointed 19 June 1997)
D. Fleetwood	(appointed 19 June 1997)

Unless otherwise indicated, the above individuals were directors for the whole of the year ended 31 March 1998. 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 1998 (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 and loan notes of Irish Food Processors Limited, the company's ultimate parent, at 31 March 1998, were as follows:-

	31 March 1997		31 March 1998
	Ordinary Shares	Loan Notes	Ordinary Shares
	Number	IR£'000	Number
L. Goodman	14,545,455	6,000	18,000,000

The loan notes were repaid on 31 March 1998.

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

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 is currently in the process of assessing the potential impact of the above on the group and company, its suppliers and customers and is developing action plans designed to address the key issues in advance of critical dates and without disruption to its business. These plans will ensure that all affected computer operations are replaced or modified prior to the critical date.

Whilst no detailed cost estimates are currently available, in the directors opinion, the incremental costs associated with Year 2000 compliance are not expected to be material.

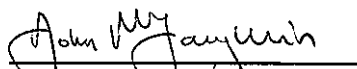
10. Euro

The group is currently in the process of reviewing the effect the Euro will have on its commercial and financial processes.

11. Auditors

The auditors, Coopers & Lybrand, have expressed their willingness to continue in office.

By Order of the Board:


J. Mc Laughlin - Secretary

4 June 1998
Dublin

Maldome Limited

Year Ended 31 March 1998

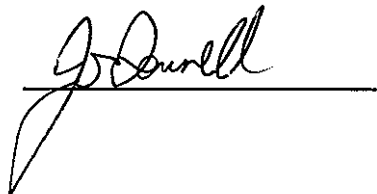
Directors' Responsibilities Statement for the Financial Statements

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 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:

A handwritten signature in dark ink, appearing to read 'J. Donnell', is written over a horizontal line.

Director

4 June 1998
Dublin

Maldome Limited

Year Ended 31 March 1998

Auditors' Report to the Members of Maldome Limited

We have audited the financial statements on pages 8 to 25.

Respective responsibilities of directors and auditors

As described on page 6, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit on those financial statements 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 the group at 31 March 1998 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.


**Chartered Accountants
and Registered Auditors**

4 June 1998
Dublin

Maldome Limited

Consolidated Profit and Loss Account

for the Year Ended 31 March 1998

		Year Ended 31 March 1998 £'000	Year Ended 31 March 1997 £'000
	<u>Notes</u>		
Turnover			
- Continuing Operations		326,724	337,361
- Acquisitions		-	14,529
Total Turnover	1	<u>326,724</u>	<u>351,890</u>
Operating Profit before Exceptional Items		5,670	5,510
Exceptional Income relating to BSE	2	-	2,300
Exceptional Costs	3	-	(1,000)
Operating Profit	4,6	<u>5,670</u>	<u>6,810</u>
Analysed as:			
- Continuing Operations		5,670	5,908
- Acquisitions		-	902
		<u>5,670</u>	<u>6,810</u>
Interest Payable and Similar Charges	7	(3,274)	(4,464)
Profit on Ordinary Activities before Taxation		<u>2,396</u>	<u>2,346</u>
Tax on Profit on Ordinary Activities	9	-	-
Profit Retained for the Year		<u>2,396</u>	<u>2,346</u>

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

The notes on pages 12 to 25 form part of these financial statements.
Auditors' Report page 7.

Maldome Limited

Consolidated Statement of Movement in Retained Profits

for the Year ended 31 March 1998

	Year Ended 31 March 1998 £'000	Year Ended 31 March 1997 £'000
Accumulated Deficit at 31 March 1997	(1,927)	(4,273)
Profit Retained for the Year	<u>2,396</u>	<u>2,346</u>
Retained Profits/(Accumulated Deficit) at 31 March 1998	<u>469</u>	<u>(1,927)</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.

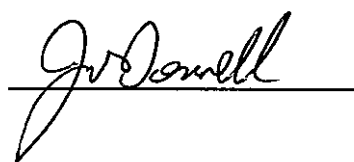
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Maldome Limited

Consolidated Balance Sheet at 31 March 1998

	Notes	31 March 1998		31 March 1997	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	11		28,005		23,260
Current Assets					
Stocks	13	13,538		11,673	
Debtors	14	27,828		36,526	
Government Gilts		50		53	
Cash at bank and in hand		3,411		1,889	
		<u>44,827</u>		<u>50,141</u>	
Creditors: amounts falling due within one year	15	<u>(34,042)</u>		<u>(43,404)</u>	
Net Current Assets			<u>10,785</u>		<u>6,737</u>
Total Assets less Current Liabilities			38,790		29,997
Creditors: amounts falling due after more than one year	16		(26,180)		(19,753)
Government Grants	17		<u>(650)</u>		<u>(680)</u>
			<u>11,960</u>		<u>9,564</u>
Capital and Reserves					
Called up Share Capital	19		-		-
Capital Reserve	20		11,491		11,491
Profit and Loss Account			469		(1,927)
Equity Shareholders' Funds	21		<u>11,960</u>		<u>9,564</u>

These financial statements were approved by the Board of Directors on 4 June 1998.



Director

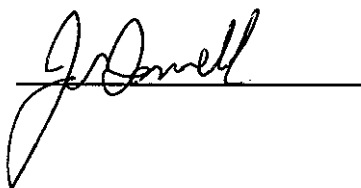
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Auditors' Report page 7.

Maldome Limited

Company Balance Sheet at 31 March 1998

	Notes	31 March 1998		31 March 1997	
		£'000	£'000	£'000	£'000
Fixed Assets					
Investment	12		-		-
Current Assets					
Debtors	14	4,357		6,486	
Government Gilts		50		53	
Cash at Bank		521		-	
		<u>4,928</u>		<u>6,539</u>	
Creditors: amounts falling due within one year	15	<u>(4,528)</u>		<u>(6,534)</u>	
Net Current Assets			<u>400</u>		<u>5</u>
Total Assets less Current Liabilities			<u>400</u>		<u>5</u>
Capital and Reserves					
Called up Share Capital	19		-		-
Profit and Loss Account	10		<u>400</u>		<u>5</u>
Equity Shareholders' Funds			<u>400</u>		<u>5</u>

These financial statements were approved by the Board of Directors on 4 June 1998.



Director

The notes on pages 12 to 25 form part of these financial statements.
Auditors' Report page 7.

Maldome Limited

Year Ended 31 March 1998

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 1998.

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, being the excess of the fair value of net assets acquired over the consideration, is treated as a capital reserve arising on acquisition.

Goodwill arising on acquisitions, being the excess of the consideration over the fair value of the net assets acquired, is taken to reserves on consolidation.

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. 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.

F. Government Grants

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

G. Tangible Fixed Assets

Tangible fixed assets are carried at cost. Immediately before the disposal of tangible fixed assets, the carrying value of these assets is revalued to the disposal proceeds. Revaluation gains are recognised in the Statement of Total Recognised Gains and Losses unless they reverse revaluation losses that were previously recognised in the profit and loss account, in which case, they are recognised in the profit and loss account. Revaluation losses are recognised in the profit and loss account.

Maldome Limited

Year Ended 31 March 1998

Statement of Accounting Policies (continued)

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 on a constant percentage of earnings.

Maldome Limited

Year Ended 31 March 1998

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 1998	31 March 1997
		£'000	£'000

The analysis of turnover by activity and geographical destination is as follows:-

Activity:

Meat Processing	<u>326,724</u>	<u>351,890</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.

2. Exceptional Income relating to BSE

	Year Ended	Year Ended
	31 March 1998	31 March 1997
	£'000	£'000
Compensation Income	<u>Nil</u>	<u>2,300</u>

Maldome Limited

Year Ended 31 March 1998

Notes to the Financial Statements (continued)

3. Exceptional Costs

	Year Ended 31 March 1998 £'000	Year Ended 31 March 1997 £'000
Rationalisation Costs	<u>Nil</u>	<u>1,000</u>

The exceptional rationalisation provision was created during the previous year to provide for the expected costs of a proposed rationalisation scheme.

4. Operating Profit

	Year Ended 31 March 1998 £'000	Year Ended 31 March 1997 £'000
Turnover	326,724	351,890
Cost of Sales	(297,451)	(324,926)
Exceptional Income Relating to BSE	-	2,300
Gross Profit	<u>29,273</u>	<u>29,264</u>
Distribution Expenses	(9,390)	(8,222)
Administrative Expenses	(14,257)	(13,277)
Exceptional Rationalisation Costs	-	(1,000)
Other Operating Income	<u>44</u>	<u>45</u>
Operating Profit	<u>5,670</u>	<u>6,810</u>

Maldome Limited

Year Ended 31 March 1998

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 1998 Number	Year Ended 31 March 1997 Number
Management	96	88
Production	1,833	1,394
Distribution	65	47
Administration	110	112
	<u>2,104</u>	<u>1,641</u>

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

	Year Ended 31 March 1998 £'000	Year Ended 31 March 1997 £'000
Wages and Salaries	27,967	21,446
Social Welfare Costs	2,383	1,775
Pension Costs	19	295
	<u>30,369</u>	<u>23,516</u>

In March 1997, the group established an employee's benefit trust, the Irish Food Processors UK Employees Discretionary Profit Pool (the "Profit Pool"). The trustee of the Profit Pool is Yarof Limited (the "Trustee"), a member of the group.

The Profit Pool is a discretionary trust for the benefit of employees and directors of the company and its subsidiaries.

The Profit Pool has not purchased any shares in the Company or its parent.

The aggregate payroll costs include a charge of £100,000 in respect of the employee benefit trust.

Maldome Limited

Year Ended 31 March 1998

Notes to the Financial Statements (continued)

6. Operating Profit

	Year Ended 31 March 1998 £'000	Year Ended 31 March 1997 £'000
Operating Profit is stated after Charging/(Crediting):-		
Depreciation on Tangible Fixed Assets:		
Owned Assets	<u>1,530</u>	<u>1,687</u>
Auditors' Remuneration	<u>108</u>	<u>111</u>
Operating Lease Rentals	<u>508</u>	<u>350</u>
Exchange Gain on net Foreign Currency Monetary Assets	<u>(145)</u>	<u>(1)</u>
Amortisation of Capital Grants	<u>(30)</u>	<u>(15)</u>

7. Interest Payable and Similar Costs

	Year Ended 31 March 1998 £'000	Year Ended 31 March 1997 £'000
Interest Payable and Similar Charges on Bank Loans and Overdrafts (see note 18)	1,447	1,880
Interest Payable to Group Companies	1,898	2,629
Interest Receivable	<u>(71)</u>	<u>(45)</u>
	<u>3,274</u>	<u>4,464</u>

Maldome Limited

Year Ended 31 March 1998

Notes to the Financial Statements (continued)

8. Emoluments of Directors

	Year Ended 31 March 1998 £'000	Year Ended 31 March 1997 £'000
Directors' Emoluments	<u>494</u>	<u>161</u>

The emoluments of the highest paid director was £178,000 (1997: £84,000)

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 £20,000 (1997: £15,000).

	Year Ended 31 March 1998 Number	Year Ended 31 March 1997 Number
Retirement benefits accruing to the following number of directors under:		
Defined benefit schemes	<u>4</u>	<u>2</u>

9. Tax on Profit on Ordinary Activities

No corporation tax is payable due to the availability of accelerated capital allowances.

Maldome Limited

Year Ended 31 March 1998

Notes to the Financial Statements (continued)

10. 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 profit for the year was £395,000 (1997: - £Nil)

11. Fixed Assets

	Land & Buildings £'000	Plant & Equipment £'000	Total £'000
Cost			
At 1 April 1997	14,747	11,045	25,792
Additions	<u>1,823</u>	<u>4,452</u>	<u>6,275</u>
At 31 March 1998	<u>16,570</u>	<u>15,497</u>	<u>32,067</u>
Depreciation			
At 1 April 1997	1,157	1,375	2,532
Charge for the Year	<u>592</u>	<u>938</u>	<u>1,530</u>
At 31 March 1998	<u>1,749</u>	<u>2,313</u>	<u>4,062</u>
Net Book Value at 31 March 1998	<u>14,821</u>	<u>13,184</u>	<u>28,005</u>
Net Book Value at 31 March 1997	<u>13,590</u>	<u>9,670</u>	<u>23,260</u>

Maldome Limited

Year Ended 31 March 1998

Notes to the Financial Statements (continued)

12. Investments

	31 March 1998	31 March 1997
	£	£
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.

The following dormant subsidiaries were struck off during the year at the companies request:

Name	Shares Held	Percentage	Country of Registration
Lurgan By Products Ltd	2	100%	Northern Ireland
Lurgan Beef Packers Ltd	2	100%	Northern Ireland
Lurgan Lamb Packers Ltd	2	100%	Northern Ireland
Lurgan Meats Ltd	2	100%	Northern Ireland
Lurgan Lamb Processors Ltd	2	100%	Northern Ireland
Lurgan Meat Exports Ltd	2	100%	Northern Ireland
Lurgan Beef Processors Ltd	2	100%	Northern Ireland
Lurgan Foods Ltd	2	100%	Northern Ireland

Maldome Limited

Year Ended 31 March 1998

Notes to the Financial Statements (continued)

13. Stocks

	31 March 1998	31 March 1997
	£'000	£'000
Group		
Raw Materials and Consumables	3,728	2,548
Work in Progress	161	325
Finished Goods and Goods for Resale	9,649	8,800
	<u>13,538</u>	<u>11,673</u>

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

14. Debtors

	31 March 1998	31 March 1997
	£'000	£'000
(a) Group		
Trade Debtors	24,718	31,035
Amounts owed by Group Companies	155	1,232
Prepayments, Sundry Debtors and Accrued Income	2,955	4,259
	<u>27,828</u>	<u>36,526</u>

All amounts fall due within one year.

- (a) Trade debtors include an amount of £Nil (1997: £3.3m) in respect of intervention debtors which have been discounted with recourse.
- (b) Sundry debtors include amounts of £Nil (1997:- £2.4m) relating to cash deposits retained as collateral in respect of intervention tendering and trading bonds not yet released.

	31 March 1998	31 March 1997
	£'000	£'000
(b) Company		
Finance Lease receivables - group companies	4,354	4,483
Amounts owed by group companies	-	2,003
Prepayments, Sundry debtors and Accrued Income	3	-
	<u>4,357</u>	<u>6,486</u>

Maldome Limited

Year Ended 31 March 1998

Notes to the Financial Statements (continued)

15. Creditors: amounts falling due within one year

	31 March 1998	31 March 1997
	£'000	£'000
(a) Group		
Bank Loans and Overdrafts (see note 18)	1,478	10,696
Intervention Debt Purchase Facilities	-	3,257
Trade Creditors	10,757	13,140
Amounts owed to Group Companies	11,439	5,299
Other Creditors	5,031	5,578
Taxation and Social Welfare	869	819
Accruals and Deferred Income	4,468	4,615
	<u>34,042</u>	<u>43,404</u>

Taxation and Social Welfare includes:-

	31 March 1998	31 March 1997
	£'000	£'000
PAYE	382	328
VAT	100	164
	<u>482</u>	<u>492</u>
Social Welfare	387	327
	<u>869</u>	<u>819</u>

	31 March 1998	31 March 1997
	£'000	£'000

(b) Company

Amounts owed to Group Companies	<u>4,528</u>	<u>6,534</u>
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16. Creditors: amounts falling due after one year

	31 March 1998	31 March 1997
	£'000	£'000
Group		
Amounts owed to Group Companies	<u>26,180</u>	<u>19,753</u>

Maldome Limited

Year Ended 31 March 1998

Notes to the Financial Statements (continued)

17. Government Grants

	31 March 1998 £'000	31 March 1997 £'000
At 1 April 1997	680	-
Grants Received	-	695
Amortised to the Profit & Loss Account	(30)	(15)
At 31 March 1998	<u>650</u>	<u>680</u>

18. Loans, Overdrafts and Other Facilities

In March 1998, the Irish Food Processors Group, to which this company is a party, raised US\$55m (£32.5m) of senior unsecured notes in a private placement with US institutional investors. These notes are repayable in annual amounts of US\$11m, beginning in March 2001. This liability and the related funds received have been swapped into Sterling and Irish pounds at a margin over LIBOR/DIBOR. As a result, the group's repayment obligation has been effectively converted into a Sterling and an Irish Pound obligation.

The group repaid its previous working capital facilities in March 1998.

19. Share Capital

	31 March 1998 £	31 March 1997 £
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>

20. Capital Reserve

	31 March 1998 £'000	31 March 1997 £'000
Group		
At 31 March 1997 and 31 March 1998	<u>11,491</u>	<u>11,491</u>

Maldome Limited

Year Ended 31 March 1998

Notes to the Financial Statements (continued)

21. Reconciliation of Movement in Equity Shareholders' Funds

	31 March 1998 £'000	31 March 1997 £'000
The movement in Shareholders' Funds is as follows:		
Profit Retained for the Year	2,396	2,346
Net Increase in Shareholders Funds	<u>2,396</u>	<u>2,346</u>
Opening Shareholders' Funds at 1 April 1997	<u>9,564</u>	<u>7,218</u>
Closing Shareholders' Funds at 31 March 1998	<u><u>11,960</u></u>	<u><u>9,564</u></u>

22. Commitments

Capital Commitments

The group has contracted commitments for capital expenditure at 31 March 1998 of approximately £4m.

23. Contingent Liabilities

The directors believe that the net worth or financial position of the group will not be adversely affected to any material extent by any potential claim or contingent liability.

Maldome Limited

Year Ended 31 March 1998

Notes to the Financial Statements (continued)

24. 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 group 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 £2.5m. 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.

25. 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.

26. 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.

27. Reporting Currency

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

28. Approval of Financial Statements

The financial statements were approved by the directors on 4 June 1998.

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Maldome Limited

Year Ended 31 March 1998

Cost of Sales - unaudited

	Year Ended 31 March 1998 £'000	Year Ended 31 March 1997 £'000
Purchases and Movement in Stocks	254,498	290,150
Overhead Expenses	<u>42,953</u> <u>297,451</u>	<u>34,776</u> <u>324,926</u>

Maldome Limited

Year Ended 31 March 1998

Overhead Expenses - unaudited

	Year Ended 31 March 1998 £'000	Year Ended 31 March 1997 £'000
Labour Costs	25,381	18,344
Repairs and Maintenance	6,622	6,399
Light, Heat and Power	2,362	1,941
Meat Inspection	610	510
Butchers' Supplies	248	193
Depreciation: Buildings	592	863
Plant & Machinery	938	824
Capital Grants Credit	(30)	(15)
Freight	121	306
Duty	692	1,299
Equipment Hire	864	829
Lease Expenses	221	141
Hide Expenses and Enzymes	57	147
Laundry and Cleaning	889	616
Packaging and Consumables	819	344
Welfare and Medical Supplies	274	222
Water Rates, Water Treatment, Effluent Charges and Waste Disposal	1,292	1,179
Protective Clothing	265	-
Laboratory Tests	201	-
Gases	180	-
Gatt Licences	214	-
Profit on disposal of Fixed Asset	-	(85)
Sundry	141	719
	<u>42,953</u>	<u>34,776</u>

Maldome Limited

Year Ended 31 March 1998

Distribution Expenses - unaudited

	Year Ended 31 March 1998 £'000	Year Ended 31 March 1997 £'000
Haulage	7,765	6,500
Commission, Marketing and Insurance	210	176
Cold Store Charges	<u>1,415</u> <u>9,390</u>	<u>1,546</u> <u>8,222</u>

Maldome Limited

Year Ended 31 March 1998

Administrative Expenses - unaudited

	Year Ended 31 March 1998 £'000	Year Ended 31 March 1997 £'000
Wages and Salaries	6,351	5,370
Pension	19	295
Travel and Subsistence	1,249	815
Insurance	1,003	1,132
Legal and Professional Fees	480	1,022
Audit and Accountancy	133	121
Telephone and Telex	392	329
Management Charge	1,225	1,553
Rent and Rates	669	637
Security	588	555
Postage, Stationery & Couriers	366	286
Subscriptions and Donations	130	76
Marketing and Advertising Costs	376	320
Training and Welfare	343	97
Foreign Exchange Gain	(145)	(6)
Provision for Bad Debts	64	74
Repairs and Renewals	73	39
Computer Expenses	569	323
Operating Leases	287	209
Sundry	85	30
	<u>14,257</u>	<u>13,277</u>