

Lowesmoor Foods Limited

**Directors' report and financial
statements**

Registered number 03113684

21 May 2005



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 21 May 2005.

Principal activities and business review

The principal activity of the company during the year was poultry processing and distribution.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend (2004: *£nil*) and the retained profit for the financial year of £7,000 (2004: *£14,000*) will be transferred to reserves.

Directors and directors' interests

The directors during the year were as follows:

J Middleton

P De Braal

C I Oliver appointed 1 June 2005

According to the Register of Directors' Interests, no rights to subscribe for shares in or debentures of the company or any other group company incorporated in England and Wales were granted to any of the directors or their immediate families, or exercised by them, during the year.

No director had a beneficial interest in the shares of the company during the year.

Payments to suppliers

It is the policy of the company to agree terms of payment when orders for goods and services are placed and to adhere to these arrangements when making payment.

Euro

Since there are no current plans for the UK to adopt the Euro, it is not expected to present any additional problems for the Company which is already capable of transacting business throughout the world in a variety of foreign currencies.

The 'Elective Regime'

At a General Meeting held in 1998, the company adopted a resolution under the terms of Section 379a Companies Act 1985 (as amended) to take advantage of the procedural relaxations permitted by that provision. Accordingly, no Annual General Meeting will be held and the financial statements will not be laid before members.

By order of the board



C I Oliver
Secretary

Grandstand Road
Hereford
HR4 9PB

16 August 2005

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those 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;
- 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

St Nicholas House
Park Row
Nottingham
NG1 6FQ

Report of the independent auditors to the members of Lowesmoor Foods Limited

We have audited the financial statements on pages 4 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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 received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company 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 as at 21 May 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

Chartered Accountants
Registered Auditor

16 August 2005

Profit and loss account
for the year ended 21 May 2005

	<i>Note</i>	2005 £000	2004 £000
Turnover	2	188	721
Cost of sales		(178)	(699)
		<hr/>	<hr/>
Gross profit		10	22
Administrative expenses		(1)	(1)
		<hr/>	<hr/>
Operating profit		9	21
Interest payable and similar charges	4	-	(1)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		9	20
Taxation	5	(2)	(6)
		<hr/>	<hr/>
Profit on ordinary activities after taxation	9	7	14
		<hr/>	<hr/>

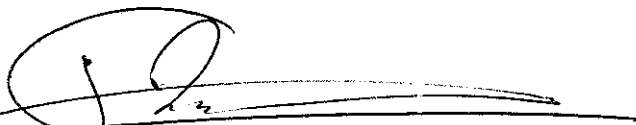
The company had no recognised gains or losses other than the result for the year.

The company made no acquisitions and had no discontinued activities in the year.

Balance sheet
as at 21 May 2005

	<i>Note</i>	2005 £000	2004 £000
Current assets			
Debtors	6	74	222
Creditors: amounts falling due within one year	7	(3)	(158)
		<hr/>	<hr/>
Net assets		71	64
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	71	64
		<hr/>	<hr/>
Equity shareholders' funds	10	71	64
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 16 August 2005 and were signed on its behalf by:


P De Braal
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

The company is a member of a group which has published a consolidated cash flow statement. Accordingly the company is exempt from publishing its own cash flow statement.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. As these realised exchange differences arise from trading activities, they are included in administrative expenses. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover, all of which arose from the company's principal activity, represents amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

Related party transactions

In accordance with FRS 8, the company is exempt from disclosure of related party transactions with companies whose results are consolidated in the intermediate holding company's report and accounts. Disclosure is provided of related party transactions with non-UK group companies since the report and accounts of the ultimate holding company are not widely available.

2 Analysis of turnover and profit/(loss) on ordinary activities before interest and taxation by geographical market

	2005		2004	
	Turnover	Operating profit	Turnover	Operating profit
	£000	£000	£000	£000
Europe	188	9	721	21

3 Staff numbers and costs

The average number of persons (including directors) employed by the company during the year was two (2004: two). No emoluments were paid during the current or preceding year, either to employees or directors.

Notes (continued)

4 Interest payable and similar charges

	2005 £000	2004 £000
<i>Owed to group undertakings:</i>		
On short term loan	-	1
	<hr/>	<hr/>

5 Taxation

	2005 £000	2004 £000
UK corporation tax at 30% (2004: 30%) on the profit for the year on ordinary activities	3	6
Prior year adjustment	(1)	-
	<hr/>	<hr/>
	2	6
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The current tax charge for the year is lower than (2004: consistent with) expectations given the standard rate of corporation tax at 30% (2004: 30%).

	£000	£000
<i>Current tax reconciliation:</i>		
Profit on ordinary activities before tax	9	20
	<hr/>	<hr/>
Current tax at 30% (2004: 30%)	3	6
Prior year adjustment	(1)	-
	<hr/>	<hr/>
Total current tax charge	2	6
	<hr/>	<hr/>

6 Debtors

	2005 £000	2004 £000
<i>Amounts falling due within one year:</i>		
Trade debtors	-	2
Amounts owed by group undertakings	74	220
	<hr/>	<hr/>
	74	222
	<hr/>	<hr/>

Notes (continued)

7 Creditors: amounts falling due within one year

	2005 £000	2004 £000
Amounts due to group undertakings	-	147
Corporation tax	3	6
Accruals and deferred income	-	5
	<u>3</u>	<u>158</u>

8 Share capital

	2005 £	2004 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

9 Profit and loss account

	2005 £000	2004 £000
At beginning of year	64	50
Profit for the year	7	14
	<u>71</u>	<u>64</u>
At end of year		

10 Reconciliation of shareholders' funds

	2005 £000	2004 £000
Profit for the financial year	7	14
	<u>7</u>	<u>14</u>
Net addition to shareholders' funds	7	14
Opening shareholders' funds	64	50
	<u>71</u>	<u>64</u>
Closing shareholders' funds		

Notes (continued)

11 Related party disclosures

The company is controlled by Cargill PLC, the intermediate holding company, and is ultimately controlled by Cargill, Incorporated, the ultimate holding company.

The company undertook trade purchases of £7,965 (2004: £25,908) and trade sales of £13,293 (2004: £41,634) during the year with Concordia Foods Limited, a joint venture between Sun Valley Foods Limited, a Cargill group company, and Sadia International Limited.

12 Ultimate holding company and parent undertaking

The company is a subsidiary of Cargill PLC, a company registered in England and Wales. The ultimate controlling party is Cargill, Incorporated, a company incorporated in the USA. The largest group in which results of the company are consolidated is that headed by Cargill, Incorporated whose financial statements are not available to the public. The smallest group into which the results of the company are consolidated is that headed by Cargill Holdings, a company registered in England and Wales, whose consolidated financial statements are available to the public and may be obtained from the Registrar of Companies, Crown Way, Cardiff.