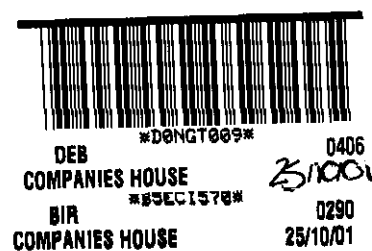


SAMWORTH BROTHERS LIMITED
REPORT
AND
ACCOUNTS
2000



SAMWORTH BROTHERS LIMITED AND SUBSIDIARY COMPANIES

Accounts for the year ended 30th December 2000

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**SAMWORTH BROTHERS LIMITED
AND
SUBSIDIARY COMPANIES**

DIRECTORS

D C Samworth CBE DL (Chairman)
B Stein
M C Samworth
C G Edwards
A Barton (appointed 21st July 2000)

COMPANY SECRETARY

T J Barker ACA

AUDITORS

PricewaterhouseCoopers
Temple Court, 35 Bull Street, Birmingham.

BANKERS

HSBC Bank plc
130 New Street, Birmingham.

REGISTERED OFFICE

Chetwode House,
Leicester Road, Melton Mowbray, Leicestershire. LE13 1GA

REGISTERED NUMBER

3116767 - England

REPORT OF THE DIRECTORS

The Directors submit their report together with the accounts of the group for the year ended 30th December 2000.

Principal Activity

The principal activities of the company are as a holding company to a number of subsidiaries and a manufacturer and distributor of high quality value added food products.

Review of Business Development

The Directors expect the general level of activity to continue to grow to meet the investments in our bakeries. The company continues to invest in the quality of all its bakeries and products.

Results and dividend

The group profit for the year after taxation amounted to £ 12,482,000 (1999:£11,817,000). The Directors recommended and paid a final dividend of £466 per ordinary share (1999: nil).

Directors

The Directors during the year are shown on page 2. None of the directors who held office at the end of the financial period had any disclosable beneficial interest in the shares of the company. The interests of the directors in the share capital of the ultimate holding company are disclosed in those financial statements.

Fixed Assets

During the year additions to group fixed assets were £2,806,000 in respect of land and buildings, £12,352,000 for plant and machinery, £2,515,000 for motor vehicles and £8,272,000 for assets in the course of construction.

Research and Development

The group maintains development kitchens at its Cornish and Leicestershire bakeries which, with the help and advice of its customers, work to produce new and innovative products.

Employment Policies

The group is committed to providing equal opportunities to all individuals within its business, through recruitment, training and career development. The policy of the group regarding the employment of disabled persons is as follows:

- a) Full and fair consideration is given to disabled applicants for employment at all levels within the group.
- b) If an existing employee were to become disabled every effort would be made to continue to provide suitable employment in the same or in an alternative job.
- c) Disabled persons may share in appropriate opportunities for training, career development and promotion that are available to all employees within the group.

Staff Involvement

The group's ability to meet the needs of its customers and achieve its commercial objectives depends on the contribution of staff throughout the group. The group continues its policy of communication, consultation and involvement allowing staff to develop their roles whilst maintaining and improving quality and customer service.

REPORT OF THE DIRECTORS

Political and Charitable Donations

During the year a donation of £1,250 was made to the Conservative Party. Charitable donations amounted to £162,000.

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors will be proposed at the Annual General Meeting.

Creditor Payment Policy

The group's normal policy is to pay suppliers according to agreed terms of business. These terms are agreed with suppliers upon entering into binding contracts and the group's policy is to adhere to the payment terms provided the relevant goods or services have been supplied in accordance with the contracts. At 30th December 2000 trade creditors represented 30 days' annual purchases (1999: 44 days).

Corporate Governance

The Board of Directors is responsible for internal control. The system of controls can provide reasonable but not absolute assurance against material misstatement or loss.

Throughout the period the group has operated a Business Risk system. The system emphasises risk identification and control as the responsibility of the individual businesses, monitored by the Group Executive Board. The process is flexible and ongoing and is supported by a formal sequence of reporting and review through to the Parent Board.

Statement of Directors' Responsibilities

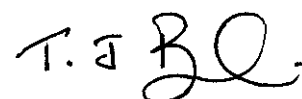
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the profit and loss of the group for that period.

The Directors are also responsible for the adoption of suitable accounting policies and their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The Directors confirm that the above requirements have been complied with in the financial statements.

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 are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Dated this 28th day of February 2001
BY ORDER OF THE BOARD



T J Barker ACA
Company Secretary.

Chetwode House
Leicester Road
Melton Mowbray
LE13 1GA

SAMWORTH BROTHERS LIMITED AND SUBSIDIARY COMPANIES

Consolidated Profit & Loss Account

Year Ended 30th December 2000

	Notes	2000 £'000	1999 £'000
TURNOVER	2	256,361	217,978
COST OF SALES		(191,966)	(157,054)
GROSS PROFIT		64,395	60,924
Selling and distribution costs	(27,177)		(24,232)
Administration expenses	(18,289)		(18,621)
OPERATING PROFIT		(45,466)	(42,853)
		18,929	18,071
External Interest payable	4	(758)	(840)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	18,171	17,231
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	8	(5,689)	(5,414)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		12,482	11,817
Dividend		(2,580)	-
RETAINED PROFIT AT THE YEAR END		9,902	11,817

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

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

SAMWORTH BROTHERS LIMITED AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet

as at 30th December 2000

	Notes	2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	10	103,898	92,216
CURRENT ASSETS			
Stocks	12	4,218	4,640
Debtors	13	23,063	22,033
Bank & cash balances		302	1,410
		<u>27,583</u>	<u>28,083</u>
CREDITORS :			
Amounts falling due within one year	14	(35,739)	(35,332)
NET CURRENT (LIABILITIES)		<u>(8,156)</u>	<u>(7,249)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>95,742</u>	<u>84,967</u>
CREDITORS :			
Amounts falling due after more than one year	15	(47,004)	(46,822)
ACCRUALS AND DEFERRED INCOME			
	16	(1,136)	(1,154)
PROVISION FOR LIABILITIES AND CHARGES			
	17	(3,602)	(2,893)
		<u>(51,742)</u>	<u>(50,869)</u>
		<u>44,000</u>	<u>34,098</u>
CAPITAL & RESERVES			
Called up share capital	18	5	5
Share premium	19	1,421	1,421
Profit and loss account	19	9,166	(736)
Other reserves	19	33,408	33,408
EQUITY SHAREHOLDERS' FUNDS		<u>44,000</u>	<u>34,098</u>

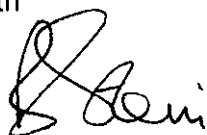
The accounts on pages 5 – 17 were approved by the directors on 28th February 2001

D C Samworth

Director

B Stein

Director

SAMWORTH BROTHERS LIMITED AND SUBSIDIARY COMPANIES

Company Balance Sheet

as at 30th December 2000

	Notes	£'000	2000 £'000	1999 £'000
FIXED ASSETS				
Intangible Assets	9		15,341	16,201
Tangible Assets	10		103,898	92,216
Investments	11		3,204	3,204
			<u>122,443</u>	<u>111,621</u>
CURRENT ASSETS				
Stock	12	4,218		4,640
Debtors	13	28,316		27,304
Bank & Cash Balances		302		1,410
		<u>32,836</u>		<u>33,354</u>
CREDITORS : Amounts falling due within one year	14	(36,079)		(113,935)
			<u>(3,243)</u>	<u>(80,581)</u>
NET CURRENT (LIABILITIES)				
TOTAL ASSETS LESS CURRENT LIABILITIES			119,200	31,040
CREDITORS : Amounts falling due after more than one year	15	(93,697)		(15,270)
ACCRUALS AND DEFERRED INCOME	16	(1,136)		(1,154)
PROVISION FOR LIABILITIES AND CHARGES	17	(3,602)	(98,435)	(2,893)
			<u>20,765</u>	<u>11,723</u>
CAPITAL AND RESERVES				
Called up share capital	18		5	5
Share premium	19		1,421	1,421
Profit and loss account	19		19,339	10,297
			<u>20,765</u>	<u>11,723</u>
EQUITY SHAREHOLDERS' FUNDS				
			<u>20,765</u>	<u>11,723</u>

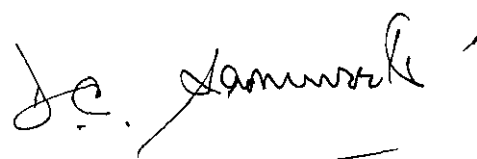
The accounts on pages 5 to 17 were approved by the Directors on

D C Samworth

Director

B Stein

Director

Notes to the Accounts
Year Ended 30th December 2000

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important group accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The accounts are prepared in accordance with the historical cost convention.

Basis of Consolidation

The consolidated accounts incorporate the audited accounts of the company and its subsidiaries up to or from the date control passes. Inter-group sales and profits are eliminated fully on consolidation.

Turnover

Turnover is the total amount, excluding value added tax, receivable by the group for goods and services provided and excluding sales between group companies.

Tangible Fixed Assets and Depreciation

Depreciation is calculated to write down the cost of the tangible assets by equal annual amounts over the expected useful lives as follows :

Freehold land	-	Is not depreciated
Leasehold land	-	Over the life of the lease
Freehold office buildings	-	40 years
Industrial freehold buildings	-	25 years
Long leasehold buildings	-	25 years
Short leasehold property	-	Over the life of the lease
Motor vehicles	-	4 – 7 years
Plant, machinery, fixtures & fittings	-	3 -10 years

Intangible Fixed Assets

Intangible fixed assets are capitalised at cost and amortised over their estimated useful lives.

Cash Flow Statement

The company has not presented a cash flow statement , taking advantage of the exemption available to wholly owned subsidiaries of UK registered parent undertakings.

Leased Assets

Fixed assets leased under finance leases are capitalised and depreciated over the shorter of the lease term and their useful lives. The costs of operating leases are charged to the profit and loss account as they accrue.

Government Grants

Amounts received in respect of government capital grants are initially credited to the accruals and deferred income account, and are then released to the profit and loss account in equal instalments over the expected useful lives of the relevant assets.

Stocks

Stocks are valued at the lower of cost (including appropriate overheads) and net realisable value. Direct cost for stocks has been determined on the basis that materials received first are used first.

Notes to the Accounts - continued
For the Year ended 30th December 2000

Research and Development

Expenditure on research and development is written off in the year in which it is incurred.

Deferred Taxation

It is the policy of the group to account for taxation deferred, using the liability method, in respect of all material timing differences except to the extent that, in the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

(i) Contributory Defined Benefits Scheme

The group operates a contributory defined benefits pension scheme covering the majority of employees. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

(ii) Defined Contribution Scheme

The group operates defined contribution schemes for certain employees. Contributions in the scheme are charged to the profit and loss account as incurred.

2. TURNOVER

The turnover is attributed to the one principal activity of the group and arises wholly within the United Kingdom.

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the group (including directors) during the year was as follows :

	2000	1999
Management and administration	330	296
Production, sales and distribution	3,622	3,142
	<u>3,952</u>	<u>3,438</u>

The aggregate payroll costs of these persons were as follows :

	2000 £'000	1999 £'000
Wages and salaries	71,336	58,516
Social security costs	4,392	3,978
Other pension costs	5,165	3,655
	<u>80,893</u>	<u>66,149</u>

SAMWORTH BROTHERS LIMITED AND SUBSIDIARY COMPANIES

Notes to the Accounts - continued
For the Year ended 30th December 2000

4. INTEREST PAYABLE	2000 £'000	1999 £'000
Other Interest	-	22
Bank Loans and Overdrafts	584	583
Other Loans	174	235
	<u>758</u>	<u>840</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £'000	1999 £'000
Group profit before taxation is stated after charging :		
Depreciation	13,903	12,084
Holding Company's Auditors' remuneration		
Company	71	65
Holding Company's Auditors' non-audit fees		
Company	106	116
Operating lease rentals, in respect of Land & Buildings	579	652
(Profit)/Loss on sale of fixed assets	(102)	93
	<u> </u>	<u> </u>

6 OPERATING LEASES

The group is committed to annual payments in respect of operating leases as follows :

	2000		1999
	Land & Building £'000	Plant & Machinery £'000	Land Buildings £'000
Commitments which expire in less than one year	20	284	38
Commitments which expire in one to five years	47	617	352
Commitments which expire after more than five years	509	18	192
	<u>576</u>	<u>919</u>	<u>582</u>
	<u> </u>	<u> </u>	<u>652</u>

SAMWORTH BROTHERS LIMITED AND SUBSIDIARY COMPANIES

Notes to the Accounts - continued
For the Year ended 30th December 2000

7. DIRECTORS' EMOLUMENTS

The remuneration paid to the Directors was :

	2000 £'000	1999 £'000
Aggregate emoluments	297	473
Defined Benefit Scheme Pension Contribution	33	59
Defined Contribution Scheme Pension Contribution	5	230
	<u> </u>	<u> </u>
Emoluments payable to the highest paid Director are as follows:		
Aggregate emoluments	177	250
Pension costs	24	248
	<u> </u>	<u> </u>

8. TAXATION ON PROFIT ON ORDINARY ACTIVITY

	2000 £'000	1999 £'000
Taxation based on profit for the year		
UK Corporation tax at 30%	4,978	3,943
Under provision in respect of previous years	2	20
Deferred tax	709	1,451
	<u>5,689</u>	<u>5,414</u>

9. INTANGIBLE FIXED ASSETS – COMPANY

	2000 £'000	1999 £'000
Goodwill		
Cost	17,204	17,204
At 30 th December 2000	<u>17,204</u>	<u>17,204</u>
Aggregate amortisation		
At 2nd January 2000	1,003	143
Charge for the year	860	860
At 30 th December 2000	<u>1,863</u>	<u>1,003</u>
Net book value 30 th December 2000	<u>15,341</u>	<u>16,201</u>

The goodwill arising on the acquisition of the net assets of two subsidiary companies is being amortised on a straight line basis over 20 years.

SAMWORTH BROTHERS LIMITED AND SUBSIDIARY COMPANIES

Notes to the Accounts - continued
For the Year ended 30th December 2000

10. TANGIBLE FIXED ASSETS – Group and Company

	<i>Land and Buildings £'000</i>	<i>Plant and Machinery £'000</i>	<i>Motor Vehicles £'000</i>	<i>Assets In Course of Construction £'000</i>	<i>TOTAL £'000</i>
COST					
At 2nd January 2000	52,176	68,550	8,508	6,392	135,626
Reclassification	(7,858)	11,292	-	(3,434)	-
Additions	2,806	12,352	2,515	8,272	25,945
Disposals	(5)	(3,010)	(1,383)	-	(4,398)
At 30th December 2000	<u>47,119</u>	<u>89,184</u>	<u>9,640</u>	<u>11,230</u>	<u>157,173</u>
DEPRECIATION					
At 2nd January 2000	9,180	30,664	3,566	-	43,410
Reclassification	(592)	562	-	30	-
Charge for the year	2,111	9,599	1,902	291	13,903
Disposals	(5)	(2,899)	(1,134)	-	(4,038)
At 30 th December 2000	<u>10,694</u>	<u>37,926</u>	<u>4,334</u>	<u>321</u>	<u>53,275</u>
NET BOOK VALUES					
At 30th December 2000	<u>36,425</u>	<u>51,258</u>	<u>5,306</u>	<u>10,909</u>	<u>103,898</u>
At 2nd January 2000	<u>42,996</u>	<u>37,886</u>	<u>4,942</u>	<u>6,392</u>	<u>92,216</u>

Land and Buildings at net book values comprise:

	<i>2000 £'000</i>	<i>1999 £'000</i>
Freehold	24,852	32,545
Long Leasehold	11,502	9,839
Short Leasehold	71	612
	<u>36,425</u>	<u>42,996</u>

SAMWORTH BROTHERS LIMITED AND SUBSIDIARY COMPANIES

Notes to the Accounts - continued
For the Year ended 30th December 2000

11. FIXED ASSETS – INVESTMENTS

	<u>Company</u>	
These investments comprise unlisted investments in subsidiaries	2000	1999
	£'000	£'000
Investments	<u>3,204</u>	<u>3,204</u>

The company's principal subsidiaries, all of which are registered in England and Wales, are set out below :

	<i>Activity</i>	<i>Company's interest in Allotted equity shares held in: The Company</i>
Ginsters Limited	Sales of premium food products	100%
Thorpe Butler Limited	Management services	100%
Westward Laboratories Limited	Food laboratory services	100%
Walker & Son (Leicester) Limited	Food manufacturers and wholesalers	100%
Moss Side Products Limited	Food manufacturer and wholesalers	100%
Walkers (Leicester) Limited	Food manufacturers and wholesalers	100%
Dickinson & Morris Limited	Food manufacturers, retailers, and wholesalers	100%
Kensey Foods Limited	Sales of premium food products	100%
Henry Walker (Retail) Limited	Food retailers	100%
Mrs Beeton's Foods Limited	Licensing of branded premium food products	100%
Melton Foods Limited	Food manufacturers and wholesalers	100%
Samworth Brothers Distribution Limited	Distribution services	100%
Kettleby Foods Limited	Food manufacturer and wholesalers	100%

12. STOCKS – Group and Company

	2000	1999
	£'000	£'000
Raw Materials	1,912	2,217
Packaging materials	1,251	1,133
Goods for resale	878	901
Other stocks	177	389
	<u>4,218</u>	<u>4,640</u>

The replacement cost of stocks is not significantly different from the amounts at which they are stated.

SAMWORTH BROTHERS LIMITED AND SUBSIDIARY COMPANIES

Notes to the Accounts - continued
For the Year ended 30th December 2000

13. DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000		1999	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade Debtors	17,650	17,650	16,986	16,986
Group companies	-	5,253	-	5,274
Other debtors	5,413	5,413	5,047	5,044
	<u>23,063</u>	<u>28,316</u>	<u>22,033</u>	<u>27,304</u>

14. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000		1999	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	16,324	16,324	16,117	16,117
Group companies	-	340	-	78,583
Corporation tax	4,251	4,251	3,928	3,948
Other taxes and Social Security	1,368	1,368	1,628	1,628
Other creditors	3,689	3,689	4,320	4,320
Accruals	9,857	9,857	9,339	9,339
Other loans	250	250	-	-
	<u>35,739</u>	<u>36,079</u>	<u>35,332</u>	<u>113,935</u>

The other loans have been received from two Private Trusts and are repayable on demand at any time after giving 366 days notice. They attract interest at 8% per annum and have been guaranteed by Samworth Brothers (Holdings) Limited.

15. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000		1999	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank Loan	10,800	10,800	9,541	9,541
Group companies	34,166	80,859	31,552	-
Other Loans	-	-	4,934	4,934
Other Creditors	2,038	2,038	795	795
	<u>47,004</u>	<u>93,697</u>	<u>46,822</u>	<u>15,270</u>

The bank loan is repayable 1st May 2003, unless the period is extended prior to that date.

Notes to the Accounts - continued
For the Year ended 30th December 2000

16. ACCRUALS AND DEFERRED INCOME

	<i>Group and Company</i>
	£'000
Government Grants as at 2nd January 2000	1,154
Received during the year	170
Amounts credited to profit and loss account	(188)
	<hr/>
Government Grants as at 30 th December 2000	1,136
	<hr/> <hr/>

17. DEFERRED TAXATION – Group and Company

The amount shown for deferred taxation represents taxation deferred by reason of accelerated capital allowances, calculated at a rate of 30% in accordance with the policy set out in Note 1.

	2000		1999	
	<i>Provided</i>	<i>Potential</i>	<i>Provided</i>	<i>Potential</i>
	£'000	£'000	£'000	£'000
Excess of capital allowances over				
Depreciation	4,332	6,793	2,893	4,523
Short term timing difference	(730)	(730)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,602	6,063	2,893	4,523
	<hr/>	<hr/>	<hr/>	<hr/>
Provided deferred tax :	2000		1999	
	£'000		£'000	
At 2nd January 2000	2,893		1,334	
Transfer from Profit and Loss Account	709		1,451	
Transfer Inter Group	-		108	
	<hr/>		<hr/>	
At 30 th December 2000	3,602		2,893	
	<hr/>		<hr/>	

18. SHARE CAPITAL

	2000		1999	
	<i>Authorised</i>	<i>Allotted Called up and Fully Paid</i>	<i>Authorised</i>	<i>Allotted Called up and Fully Paid</i>
	£	£	£	£
Ordinary shares of £1 each	1,000,000	5,535	1,000,000	5,535
	<hr/>	<hr/>	<hr/>	<hr/>

SAMWORTH BROTHERS LIMITED AND SUBSIDIARY COMPANIES

Notes to the Accounts - continued
For the Year ended 30th December 2000

19. RESERVES

	<i>Share Premium £'000</i>	<i>Profit and Loss £'000</i>	<i>Other Reserves £'000</i>
Group			
At 2nd January 2000	1,421	(736)	33,408
Retained Profit for the financial year	-	9,902	-
At 2nd December 2000	<u>1,421</u>	<u>9,166</u>	<u>33,408</u>
Company			
At 2nd January 2000	1,421	10,297	
Retained Profit for the financial year	-	9,042	
At 30 th December 2000	<u>1,421</u>	<u>19,339</u>	

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £'000	1999 £'000
Profit for the financial year	12,482	11,817
Dividend	(2,580)	-
Opening shareholders' funds	34,098	22,281
Closing shareholders' funds	<u>44,000</u>	<u>34,098</u>

21. CAPITAL COMMITMENTS

Group capital expenditure contracted for but not provided amounted to £6,113,000 (1999 :£8,164,000)
The company had capital expenditure contracted but not provided of £6,113,000 (1999 £8,164,000)

22. SAMWORTH BROTHERS LIMITED PROFIT AND LOSS ACCOUNT

Samworth Brothers Limited has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985. The amount of the consolidated result for the financial year dealt with within the accounts of Samworth Brothers Limited is a profit of £11,622,000 (1999:£10,433,000)

23. PENSIONS

The group's pension scheme is administered by trustees and is independent of the group's finances.

Contributory Defined Benefits Scheme

The contributions to the scheme are determined by an independent qualified actuary using the projected unit method on the basis of triennial valuations. The most recent actuarial valuation of the scheme was carried out by HSBC Actuaries and Consultants Limited, as at 6th April 1999. Full details of the valuation appear in the accounts of Samworth Brothers (Holdings) Limited.

Notes to the Accounts - continued
For the Year ended 30th December 2000

24. CONTINGENT LIABILITIES

The company is party to a multilateral guarantee on the bank accounts of all companies within the group.

25. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS8 for 90 percent subsidiaries not to disclose intra-group transactions.

26. ULTIMATE CONTROLLING BODY

The directors regard the Trustees of a number of Private Trusts, acting in concert, to be the ultimate controlling body of the group by virtue of their interest in the share capital of Samworth Brothers (Holdings) Limited.

27. PARENT UNDERTAKING

The company is a wholly owned subsidiary of Samworth Brothers (Holdings) Limited.

The consolidated accounts of the group are available for inspection at:

Chetwode House
Leicester Road
Melton Mowbray
Leicestershire
LE13 1GA

Report of the Auditors to the Members of

Samworth Brothers Limited

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report, including as described on page 4 responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our professions 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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

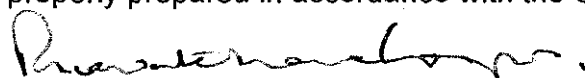
Basis of audit opinion

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 affairs of the company and the group at 30th December 2000 and of the profit 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
Birmingham
28th February 2001