

WT Tiger 2 Limited

**Directors' report and financial
statements**

Registered number 4253375

31 March 2004



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Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 2004.

Principal activities

The principal activity of the company during the period was that of a holding company.

Business review

The loss for the year amounted to £2,332,000 (2003:£1,806,000). The directors do not recommend the payment of any dividends.

On 15 August 2003 the group acquired a 100% interest in Marston Valley Foods Limited – a company involved in the production of chilled ready meals. The initial cash consideration was £18.2 million with further amounts payable contingent upon certain completion balances.

In part connection with the above on 1 August 2003 the group completed a refinancing arrangement whereby a £9.4 million bridging loan was arranged with the company's bankers and loan repayments for the year to 31 March 2004 were reduced from £5.15 million to £3.5 million. On the same date a new series of loan stock was issued for £10.7 million.

On 1 July 2003 the group's 100% investment in Eghoyan's Pitta Bakery Limited was sold for cash consideration of £2.4 million.

On 19 December 2003, the group sold Bart Spices Limited, for cash consideration of £3,068,000.

Directors and directors' interests

The directors who held office during the year were as follows:

Sir Gulam K Noon MBE

J E Brennan

E C V Shaw

(Resigned 19 December 2003)

C R Sharpe

S A Boyd

None of the directors who held office at the end of the financial year had any disclosable interest in the shares and debentures of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year

The interests and rights to subscribe to the shares and debentures of the ultimate parent company for S A Boyd, C R Sharpe and Sir G K Noon are disclosed in the accounts of WT (Holdings) Limited.

None of the other directors have any disclosable interests or rights to subscribe to the shares or debentures of other group companies.

Directors' report *(continued)*

Auditors

On 3 February 2004 Ernst & Young resigned as auditor of the company and KPMG LLP were appointed by the directors to fill the casual vacancy.

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



A R Martin
Secretary

27 Jan 2005

WT House
Bessemer Road
Welwyn Garden City
Hertfordshire
AL7 1HT

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 company and of the profit or loss for that period. 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 the 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

Aquis Court
31 Fishpool Street
St Albans
AL3 4RF
United Kingdom

Report of the independent auditors to the members of WT Tiger 2 Limited

We have audited the financial statements on pages 5 to 12.

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 auditor's 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 3, 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 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

28 JAN 2005

Profit and loss account
for the year ended 31 March 2004

		2004 £000	2003 £000
Interest receivable and similar income	4	6	-
Interest payable and similar charges	5	(3,337)	(2,580)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(3,331)	(2,580)
Tax on loss on ordinary activities	6	999	774
		<hr/>	<hr/>
Retained loss for the year		(2,332)	(1,806)
		<hr/>	<hr/>

There were no other gains or losses other than those passing through the profit and loss account.

The results for the current and preceding periods are derived wholly from continuing operations.

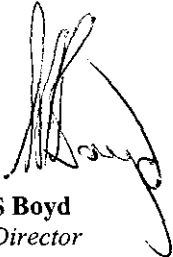
There are no differences between reported profits and historical cost profits for the current year or the preceding year.

Balance sheet

At 31 March 2004

	Note	2004 £000	2003 £000
Fixed assets			
Investments	7	49,002	49,002
Current assets			
Debtors	8	20,360	1,393
Creditors: amounts falling due within one year	9	(8,062)	(102)
Net current assets		12,298	1,291
Total assets less current liabilities		61,300	50,293
Creditors: amounts falling due after more than one year	10	(65,968)	(52,629)
Net liabilities		(4,668)	(2,336)
Capital and reserves			
Called up share capital	13	99	99
Profit and loss account	12	(4,767)	(2,435)
Equity shareholders' deficit	12	(4,668)	(2,336)

These financial statements were approved by the board of directors on 27th January 2005 and were signed on its behalf by:


S Boyd
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 in accordance with applicable accounting standards, and under the historical cost accounting rules.

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate as the ultimate parent undertaking has agreed to provide sufficient funds for the company to meet its liabilities as they fall due and for the foreseeable future.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of WT (Holdings) Limited the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The company is exempt by the virtue of S228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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.

Investments

Investments are stated at cost unless a provision is necessary for any impairment in value. Such provisions are charged to the profit and loss account.

Notes (continued)

2 Operating profit

The administration costs of the company including auditors' fees, are borne by a subsidiary undertaking.

3 Staff numbers and costs

No director received any emoluments in respect of their services to the company. (2003: £nil). The company has no other employees.

4 Interest receivable and similar income

	2004 £000	2003 £000
Other interest receivable	6	-

5 Interest payable and similar charges

	2004 £000	2003 £000
Amounts due on discounted loan stock	3,041	2,580
Amounts due on loan stock	210	-
On all other loans	86	-
	<u>3,377</u>	<u>2,580</u>

6 Taxation

Analysis of credit in period

	2004 £000	2003 £000
<i>UK corporation tax</i>		
Current tax on income for the period	(918)	(774)
Total current tax	(918)	(774)
Deferred tax (see below)	(81)	-
Tax on profit on ordinary activities	<u>(999)</u>	<u>(774)</u>

Notes (continued)

6 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax credit for the period is lower than (2003: equal to) the standard rate of corporation tax in the UK (30%, 2003: 30%). The differences are explained below:

	2004 £	2003 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(3,331)	(2,580)
	<hr/>	<hr/>
Current tax at 30% (2003: 30%)	(999)	(774)
<i>Effects of:</i>		
Short term timing differences	81	-
	<hr/>	<hr/>
Total current tax charge (see above)	(918)	(774)
	<hr/>	<hr/>
	 2004 £000	 2003 £000
<i>Effects of deferred taxation</i>		
Other timing differences (asset)/liability (see note 8)	(81)	-
	<hr/>	<hr/>
Current tax at 30% (2003: 30%)	(81)	-
	<hr/>	<hr/>

7 Fixed asset investments

	Shares in group undertakings £000
Cost and net book value	
At 1 April 2003 and 31 March 2004	49,002
	<hr/>

In the opinion of the directors the value of the company's investment in the subsidiary undertaking is not less than the amount included in the balance sheet.

The company owns 100% of the equity share capital of the company listed below:

Name of company	Country of incorporation	Nature of business
WT Tiger 3 Limited	England and Wales	Holding company

Notes (continued)

8 Debtors

	2004 £000	2003 £000
Amounts owed by group undertakings	19,505	619
Corporation tax repayable	774	774
Deferred tax asset (see note 6)	81	-
	<u>20,360</u>	<u>1,393</u>

9 Creditors: amounts falling due within one year

	2004 £000	2003 £000
Amounts owed to group undertakings	5,250	78
Accruals and deferred income	-	24
New loan stock	2,812	-
	<u>8,062</u>	<u>102</u>

The new loan stock is repayable on 31 December 2005, at which point any outstanding amounts will be rolled over into the 5% series A1 discounted unsecured loan stock. Interest is payable monthly on the outstanding loan amount at 5%.

Notes (continued)

10 Creditors: amounts falling due after more than one year

	2004 £000	2003 £000
5% Series A1 Discounted Unsecured Loan Stock 2010 ("Series A1 Loan Stock")	51,268	48,827
5% Series A2 Unsecured Loan Stock 2010 ("Series A2 Loan Stock2")	1,120	1,067
5% Series B Unsecured Loan Stock 2010 ("Series B Loan Stock")	1,348	1,279
5% Series C Unsecured Loan Stock 2010 ("Series C Loan Stock")	1,628	1,456
New series new loan stock	10,604	-
	<hr/> 65,968 <hr/>	<hr/> 52,629 <hr/>

The Series A1 Loan Stock will be repayable on the earlier of:

- i) a sale or floatation of the company
- ii) the day after the repayment of the loan facilities with Rabobank International Branch; and
- iii) 1 October 2010

The Series A1 Loan Stock has been issued at a discount.

The Series A2 Loan Stock, Series B Loan Stock and the series new loan stock have exactly the same terms as those of the Series A1 Loan Stock save that the interest will accrue on the Series A2 and Series B Loan Stock at the rate of 5% per annum, but will not be payable until the final repayment of the principal of the stock.

The Series C Loan Stock has substantially the same terms as the Series B Loan Stock save that interest will accrue on the Series C Loan Stock at the rate of 10% per annum, and is paid quarterly in arrears subject to being permitted by the terms of the loan facilities provided by Rabobank International London Branch.

The various series of Loan Stock are unsecured and are freely transferable in accordance with the terms of each respective Loan Stock instrument.

11 Contingent liability

At 31 March 2004, the company, together with the parent undertaking and fellow subsidiary undertakings has guaranteed the borrowings of the parent undertaking and other fellow subsidiary undertakings. This guarantee is secured by a fixed and floating charge over the assets of the company. At 31 March 2004, the total borrowings outstanding amounted to £70,261,000 (2003: £68,811,000).

Notes (continued)

12 Reconciliation of movement in deficit and on reserves

	Share capital £000	Profit and loss account £000	Total share- holders' funds £000
Loss for the period	-	(2,332)	(2,332)
Opening shareholders' deficit	99	(2,435)	(2,336)
	<hr/>	<hr/>	<hr/>
Closing shareholders' deficit	99	(4,767)	(4,668)
	<hr/>	<hr/>	<hr/>

13 Called up share Capital

	2004 £000	2003 £000
<i>Authorised, Allotted, called up and fully paid</i>		
Equity: 99,000 Ordinary shares of £ 1 each	99	99
	<hr/>	<hr/>

14 Ultimate parent company

The company is a subsidiary undertaking of WT (Holdings) Limited incorporated in the UK.

The company is a subsidiary undertaking of WT Foods Limited, incorporated in the UK.

The largest group in which the results of the company are consolidated is that headed by WT (Holdings) Limited, incorporated in the UK. The consolidated accounts of this company are available to the public and may be obtained from Companies House, 21 Bloomsbury Street, London, EC1B 3XD. No other group accounts include the results of the company.