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FC 12185

**NORCAY LIMITED**

**REPORT AND ACCOUNTS**

**31 MARCH 2004**



FC 12185 .

**NORCAY LIMITED**

**Registered No. FC. 012185**

**DIRECTORS**

M S Christie

I A Ellis

G M Reid

**SECRETARY**

J N Wild

**INDEPENDENT AUDITORS**

Deloitte & Touche LLP

1 City Square

Leeds

LS1 2AL

**REGISTERED OFFICE**

PO Box 309

Cayman International Trust Building

Grand Cayman

Cayman Islands

British West Indies

**UK OFFICE**

Beverley House

St Stephen's Square

Hull

HU1 3XG

**NORCAY LIMITED****DIRECTORS' REPORT**

The directors present their report and accounts for the year ended 31 March 2004.

**INCORPORATION AND STATUS**

The company is incorporated in the Cayman Islands, British West Indies and is resident and carries on business in Great Britain.

**PRINCIPAL ACTIVITY**

The principal activity of the company is that of an investment holding company.

**RESULTS AND DIVIDENDS**

The profit for the year attributable to shareholders amounts to £25,982 (2003 - £700,189) and is dealt with as shown in the profit and loss account. The directors do not recommend the payment of a dividend (2003 - £nil).

**DIRECTORS AND THEIR INTERESTS**

The directors of the company who served during the year were those listed on page 1.

According to the register maintained as required by the Companies Act 1985, none of the directors held any beneficial interest in the shares of the company during the year.

M S Christie is a director of the ultimate parent company, Northern Foods plc, in whose accounts his interest in that company's share capital is disclosed. The interests of the other directors in the ordinary shares of 25p each of the ultimate parent company, Northern Foods plc, were as follows:

	<i>At 31 March 2004</i>	<i>At 31 March 2003</i>
I A Ellis	21,562	13,593
G M Reid	17,159	14,018

The executive options over ordinary shares of Northern Foods plc granted to or exercised by the directors during the year ended 31 March 2004 were as follows:

	<i>Options granted in the year</i>	<i>Options exercised in the year</i>
I A Ellis	40,000	-
G M Reid	40,000	-

At 31 March 2004 the mid-market price of the ordinary shares of Northern Foods plc was 161.0p. During the year the market price ranged between 123.75p and 173.0p.

**NORCAY LIMITED****DIRECTORS' REPORT****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the forthcoming Annual General Meeting.

By order of the board

A handwritten signature in black ink, consisting of a large loop followed by several smaller, overlapping strokes, ending in a small arrowhead pointing to the right.

J N Wild  
Secretary

10 September 2004

**NORCAY LIMITED****INDEPENDENT AUDITORS' REPORT  
to the members of Norcay Limited**

We have audited the accounts of Norcay Limited for the year ended 31 March 2004 which comprise the Profit and loss account, the Balance sheet, the Statement of total recognised gains and losses and the related notes 1 to 10. These accounts have been prepared under the accounting policies set out therein.

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**

As described in the Statement of Directors' responsibilities, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the accounts in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the accounts, 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.

We read the Directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Leeds

10 September 2004

**NORCAY LIMITED****PROFIT AND LOSS ACCOUNT  
for the year ended 31 March 2004**

	<i>Notes</i>	<b>2004</b> £	<b>2003</b> £
Interest receivable from group undertakings		<b>37,695</b>	1,000,270
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>37,695</b>	1,000,270
Taxation on profit on ordinary activities	3	<b>(11,713)</b>	(300,081)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>25,982</b>	700,189

Movements on reserves are set out in note 8.

All results derive from continuing operations.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
for the year ended 31 March 2004**

There are no recognised gains and losses (2003 - £nil) other than the profit for the financial year attributable to the shareholders of the company, as shown above.

**NORCAY LIMITED****BALANCE SHEET  
at 31 March 2004**

	<i>Notes</i>	<b>2004</b> £	<b>2003</b> £
<b>CURRENT ASSETS</b>			
Debtors	4	23,007,973	22,970,278
<b>CREDITORS: amounts falling due within one year</b>	5	(11,331)	(300,103)
<b>NET CURRENT ASSETS</b>		<u>22,996,642</u>	<u>22,670,175</u>
<b>CREDITORS: amounts falling due after more than one year</b>	6	(862,922)	(562,437)
<b>NET ASSETS</b>		<u><u>22,133,720</u></u>	<u><u>22,107,738</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	13,567,812	13,567,812
Profit and loss account	8	8,565,908	8,539,926
<b>EQUITY SHAREHOLDERS' FUNDS</b>	9	<u><u>22,133,720</u></u>	<u><u>22,107,738</u></u>



M S Christie  
Director

10 September 2004

**NORCAY LIMITED****NOTES TO THE ACCOUNTS  
at 31 March 2004****1. ACCOUNTING POLICIES*****Accounting convention***

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The company is exempt from the requirement of FRS1 to present a cash flow statement since it is a wholly owned subsidiary undertaking of Northern Foods plc, in whose accounts a cash flow statement is presented.

***Taxation***

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

**2. EMOLUMENTS OF DIRECTORS AND AUDITOR'S REMUNERATION**

None of the directors received any remuneration from the company during the year (2003 - £nil). In both the current and prior year, auditor's remuneration was borne by another group company.

**3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	2004 £	2003 £
UK Corporation tax at 30% (2003 - 30%)	11,309	300,081
Adjustment to prior years corporation tax	404	-
	<u>11,713</u>	<u>300,081</u>

The corporation tax charge is higher than the standard UK corporation tax rate of 30%. The differences are explained below:

	2004 £'000	2003 £'000
Profit on ordinary activities before taxation	37,695	1,000,270
Taxation on profit on ordinary activities at the standard UK Corporation tax rate of 30% (2003 - 30%)	11,309	300,081
Effects of:		
Adjustment to tax charge in respect of previous periods	404	-
<b>Corporation tax charge for the year</b>	<u>11,713</u>	<u>300,081</u>

**4. DEBTORS**

	2004 £	2003 £
Amounts due from group undertakings	23,007,973	22,970,278



**NORCAY LIMITED****NOTES TO THE ACCOUNTS  
at 31 March 2004****5. CREDITORS: amounts falling due within one year**

	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
Corporation tax	11,309	300,081
Accruals and deferred income	22	22
	<u>11,331</u>	<u>300,103</u>

**6. CREDITORS: amounts falling due after more than one year**

	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
Amounts due to group undertakings	862,922	562,437

**7. CALLED UP SHARE CAPITAL**

	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
<b>Authorised:</b>		
30,000,000 ordinary shares of \$1 each	15,655,168	15,655,168
<b>Allotted and fully paid:</b>		
26,000,000 ordinary shares of \$1 each	13,567,812	13,567,812

**8. PROFIT AND LOSS ACCOUNT**

	<i>£</i>
At 1 April 2003	8,539,926
Retained profit for the year	25,982
<b>At 31 March 2004</b>	<b><u>8,565,908</u></b>

**9. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS**

	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
Profit attributable to equity shareholders	25,982	700,189
Opening equity shareholders' funds	22,107,738	21,407,549
<b>Closing equity shareholders' funds</b>	<b><u>22,133,720</u></b>	<b><u>22,107,738</u></b>

**NORCAY LIMITED****NOTES TO THE ACCOUNTS  
at 31 March 2004****10. ULTIMATE PARENT UNDERTAKING**

The parent undertaking of the smallest and largest group of undertakings for which group accounts are drawn up and of which the company is a member is Northern Foods plc, registered in England and Wales. Northern Foods plc is also the immediate and ultimate parent company. Copies of Northern Foods plc's accounts can be obtained from Beverley House, St Stephen's Square, Hull, HU1 3XG.

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of the Northern Foods plc group.