

FC 12185

**NORCAY LIMITED**

Report and Accounts

31 March 1996

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**NORCAY LIMITED****Registered No. F12185**

BRANCH. BRD 637

**Directors:** C R Haskins  
M S Christie (appointed 21 February 1996)  
M A J Morgan

**Secretary:** J N Wild

**Auditors:** Ernst & Young  
PO Box 3  
Lowgate House  
Lowgate  
Hull HU1 1JJ

**Bankers:** Barclays Bank International  
PO Box 68  
Grand Cayman  
Cayman Islands  
British West Indies

**Solicitors:** Maples and Calder  
PO Box 309  
Grand Cayman  
Cayman Islands  
British West Indies

**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 1996.

**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 ACTIVITIES**

The principal activity of the company is that of investment.

**RESULTS AND DIVIDENDS**

The result for the year attributable to shareholders amounts to a US\$ loss of \$1,116,618 and a sterling profit of £1,021,462 and is dealt with as shown in the profit and loss account. The directors do not recommend the payment of a dividend.

**DIRECTORS**

The directors of the company at the date of this report were those listed on page 1 together with Mr M Clark who resigned from the Board on 21 February 1996. Mr M S Christie was appointed to the Board on 21 February 1996.

**DIRECTORS' INTERESTS**

According to the register maintained as required under the Companies Act 1985 none of the directors held any beneficial interest in the share capital of the company and all are directors of the ultimate parent company, Northern Foods plc, in whose accounts their interest in that company are shown.

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

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 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.

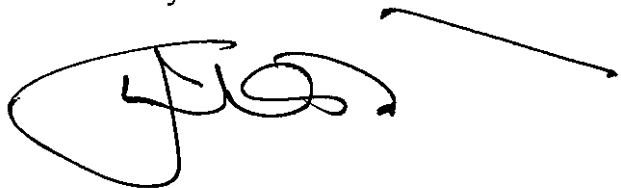
The directors confirm that the accounts comply with the above requirements.

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**

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'J N Wild', with a long horizontal line extending to the right.

J N Wild  
Secretary

14 October 1996

**REPORT OF THE AUDITORS**  
to the members of Norcay Limited

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

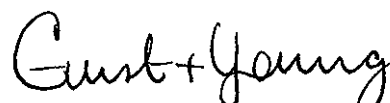
**Basis of opinion**

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 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 affairs of the company as at 31 March 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Hull

14 October 1996

**NORCAY LIMITED****PROFIT AND LOSS ACCOUNT  
for the year ended 31 March 1996**

	<i>Notes</i>	<i>1996 US\$</i>	<i>1995 US\$</i>
Administrative expenses		(18)	(129)
Interest receivable from group undertakings		3,451,585	2,826,741
		-----	-----
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>3,451,567</b>	<b>2,826,612</b>
Taxation	2	(1,135,666)	(932,753)
		-----	-----
<b>PROFIT AFTER TAXATION</b>		<b>2,315,901</b>	<b>1,893,859</b>
Currency translation (loss)/profit		(3,432,519)	4,565,172
		-----	-----
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(1,116,618)</b>	<b>6,459,031</b>
		=====	=====
<b>STATEMENT OF RETAINED PROFITS</b>			
Balance at 31 March 1995		16,604,844	10,145,813
(Loss)/profit for the year		(1,116,618)	6,459,031
		-----	-----
<b>Balance at 31 March 1996</b>		<b>15,488,226</b>	<b>16,604,844</b>
		=====	=====

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains and losses (1995 - \$nil) other than the loss (1995 - profit) for the financial year attributable to the shareholders of the company, as shown above.

**NORCAY LIMITED****PROFIT AND LOSS ACCOUNT  
for the year ended 31 March 1996**

	<i>Notes</i>	<i>1996</i> £	<i>1995</i> £
Administrative expenses		(11)	(83)
Interest receivable from group undertakings		2,204,077	1,816,672
		-----	-----
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,204,066</b>	<b>1,816,589</b>
Taxation	2	(725,202)	(599,456)
		-----	-----
<b>PROFIT AFTER TAXATION</b>		<b>1,478,864</b>	<b>1,217,133</b>
Currency translation (loss)/profit		(457,402)	592,891
		-----	-----
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,021,462</b>	<b>1,810,024</b>
		=====	=====
 <b>STATEMENT OF RETAINED PROFITS</b>			
Balance at 31 March 1995		12,589,386	10,779,362
Profit for the year		1,021,462	1,810,024
		-----	-----
<b>Balance at 31 March 1996</b>		<b>13,610,848</b>	<b>12,589,386</b>
		=====	=====

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains and losses (1995 - £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 1996**

	<i>Notes</i>	<i>1996</i> <i>US\$</i>	<i>1995</i> <i>US\$</i>
<b>CURRENT ASSETS</b>			
Debtors	3	54,395,055	54,450,518
Cash at bank		814	714
		-----	-----
		54,395,869	54,451,232
<b>CREDITORS:</b> amounts falling due within one year	4	12,907,643	11,846,388
		-----	-----
<b>NET CURRENT ASSETS</b>		41,488,226	42,604,844
		=====	=====
<b>CAPITAL AND RESERVES</b>			
Share capital	5	26,000,000	26,000,000
Profit and loss account		15,488,226	16,604,844
		-----	-----
<b>EQUITY SHAREHOLDERS' FUNDS</b>		41,488,226	42,604,844
		=====	=====

		<i>1996</i> <i>£</i>	<i>1995</i> <i>£</i>
<b>CURRENT ASSETS</b>			
Debtors	3	35,633,839	33,429,837
Cash at bank		533	438
		-----	-----
		35,634,372	33,430,275
<b>CREDITORS:</b> amounts falling due within one year	4	8,455,712	7,273,077
		-----	-----
<b>NET CURRENT ASSETS</b>		27,178,660	26,157,198
		=====	=====
<b>CAPITAL AND RESERVES</b>			
Share capital	5	13,567,812	13,567,812
Profit and loss account		13,610,848	12,589,386
		-----	-----
<b>EQUITY SHAREHOLDERS' FUNDS</b>		27,178,660	26,157,198
		=====	=====



M S Christie

- Director

14 October 1996



**NORCAY LIMITED****NOTES TO THE ACCOUNTS**  
**at 31 March 1996****1. ACCOUNTING POLICIES***Accounting convention*

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

*Overseas Company (Statutory Instrument No 1990/440)*

The accounts have been prepared in accordance with Section 258 of, and Schedule 9 to, the Companies Act 1985.

*Foreign currencies*

The company maintains its accounting records in the currency of the United States of America.

Assets and liabilities in US dollars are expressed in the sterling accounts at the rate of exchange ruling at the balance sheet date with the exception of share capital which is translated at the rate ruling at the date of the transaction. Trading results are translated at an average rate for the year.

All exchange differences arising on translation of foreign currencies are taken to the profit and loss account.

**2. TAXATION**

The charge based on the profit for the year is made up as follows:

	<i>1996</i>	<i>1995</i>	<i>1996</i>	<i>1995</i>
	<i>US\$</i>	<i>US\$</i>	<i>£</i>	<i>£</i>
UK corporation tax at 33%	1,139,016	932,753	727,341	599,456
Adjustment to prior year -				
UK Corporation tax	(3,350)	-	(2,139)	-
	<u>1,135,666</u>	<u>932,753</u>	<u>725,202</u>	<u>599,456</u>

## NORCAY LIMITED

NOTES TO THE ACCOUNTS  
at 31 March 1996

## 3. DEBTORS

	<i>1996</i>	<i>1995</i>	<i>1996</i>	<i>1995</i>
	<i>US\$</i>	<i>US\$</i>	<i>£</i>	<i>£</i>
Amounts falling due within one year:				
Promissory notes	48,257,441	40,667,515	31,613,129	24,967,777
Group relief	59	59	39	36
	<u>48,257,500</u>	<u>40,667,574</u>	<u>31,613,168</u>	<u>24,967,813</u>
Amounts falling due after more than one year:				
Amounts due from group undertakings	6,137,555	13,782,944	4,020,671	8,462,024
	<u>54,395,055</u>	<u>54,450,518</u>	<u>35,633,839</u>	<u>33,429,837</u>

## 4. CREDITORS: amounts falling due within one year

	<i>1996</i>	<i>1995</i>	<i>1996</i>	<i>1995</i>
	<i>US\$</i>	<i>US\$</i>	<i>£</i>	<i>£</i>
Amount due to group undertakings	11,797,322	10,869,927	7,728,347	6,673,580
Corporation tax	1,110,285	976,425	727,341	599,475
Accruals	36	36	24	22
	<u>12,907,643</u>	<u>11,846,388</u>	<u>8,455,712</u>	<u>7,273,077</u>

## 5. SHARE CAPITAL

	<i>Authorised</i> <i>1996 and 1995</i>		<i>Allotted, called</i> <i>up and fully paid</i> <i>1996 and 1995</i>	
	<i>US\$</i>	<i>£</i>	<i>US\$</i>	<i>£</i>
Ordinary shares of \$1 each	<u>30,000,000</u>	<u>15,655,168</u>	<u>26,000,000</u>	<u>13,567,812</u>

## NORCAY LIMITED

## NOTES TO THE ACCOUNTS

at 31 March 1996

## 6. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<i>1996</i>	<i>1995</i>	<i>1996</i>	<i>1995</i>
	<i>US\$</i>	<i>US\$</i>	<i>£</i>	<i>£</i>
(Loss)/profit attributable to shareholders	(1,116,618)	6,459,031	1,021,462	1,810,024
Opening equity shareholders' funds	42,604,844	36,145,813	26,157,198	24,347,174
Closing equity shareholders' funds	<u>41,488,226</u>	<u>42,604,844</u>	<u>27,178,660</u>	<u>26,157,198</u>

## 7. GROUP ACCOUNTS

The parent undertaking of the 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 ultimate parent company. Copies of Northern Foods plc's accounts can be obtained from Beverley House, St Stephen's Square, HU1 3XG.