

REGISTRAR

F 12185

Norcay Limited

Report and Accounts

31 March 1995

ERNST & YOUNG



Nm ✓

Norcay Limited

Registered No. F12185

DIRECTORS

C R Haskins
M Clark
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

The directors present their report and accounts for the year ended 31 March 1995.

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 profit for the year attributable to shareholders amounts to a US\$ profit of \$6,459,031 and a sterling profit of £1,810,024 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 during the year ended 31 March 1995 were those listed on page 1.

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.

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.

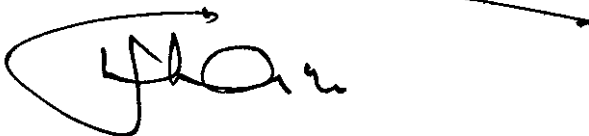
The directors confirm that the accounts comply with the above requirements.

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 dark ink, appearing to read 'J N Wild', is written over a large, faint, curved line that spans across the text 'By order of the board'.

J N Wild
Secretary

16 January 1996

REPORT OF THE AUDITORS
to the members of Norcay Limited

We have audited the accounts on pages 5 to 8 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Hull

16 January 1996

Norcay Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1995

	Notes	31 March 1995 (12 months) US\$	31 March 1994 (13 months) US\$
Administrative expenses		(129)	(124)
Interest receivable from group undertakings		2,826,741	2,823,706
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,826,612	2,823,582
Taxation	2	(932,753)	(931,782)
PROFIT AFTER TAXATION		1,893,859	1,891,800
Currency translation profit		4,565,172	1,744,356
PROFIT FOR THE FINANCIAL PERIOD		6,459,031	3,636,156
STATEMENT OF RETAINED PROFITS			
Balance at 31 March 1994		10,145,813	6,509,657
Profit for the period		6,459,031	3,636,156
Balance at 31 March 1995		16,604,844	10,145,813
		31 March 1995 (12 months) £	31 March 1994 (13 months) £
Administrative expenses		(83)	(83)
Interest receivable from group undertakings		1,816,672	1,881,217
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,816,589	1,881,134
Taxation	2	(599,456)	(620,775)
PROFIT AFTER TAXATION		1,217,133	1,260,359
Currency translation profit		592,891	240,954
PROFIT FOR THE FINANCIAL PERIOD		1,810,024	1,501,313
STATEMENT OF RETAINED PROFITS			
Balance at 31 March 1994		10,779,362	9,278,049
Profit for the period		1,810,024	1,501,313
Balance at 31 March 1995		12,589,386	10,779,362

RECOGNISED GAINS AND LOSSES

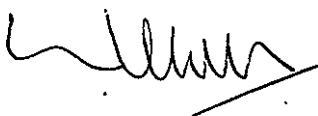
There are no recognised gains and losses other than the profit for the financial year attributable to the shareholders of the company, as shown above.

Norcay Limited

BALANCE SHEET at 31 March 1995

	Notes	31 March 1995 US\$	31 March 1994 US\$
CURRENT ASSETS			
Debtors	3	54,450,518	46,932,881
Cash at bank		714	814
		<u>54,451,232</u>	<u>46,933,695</u>
CREDITORS: amounts falling due within one year	4	11,846,388	10,787,882
		<u>11,846,388</u>	<u>10,787,882</u>
NET CURRENT ASSETS		<u>42,604,844</u>	<u>36,145,813</u>
CAPITAL AND RESERVES			
Share capital	5	26,000,000	26,000,000
Profit and loss account		16,604,844	10,145,813
		<u>16,604,844</u>	<u>10,145,813</u>
EQUITY SHAREHOLDERS' FUNDS		<u>42,604,844</u>	<u>36,145,813</u>
CURRENT ASSETS			
Debtors	3	33,429,837	31,613,150
Cash at bank		438	548
		<u>33,430,275</u>	<u>31,613,698</u>
CREDITORS: amounts falling due within one year	4	7,273,077	7,266,524
		<u>7,273,077</u>	<u>7,266,524</u>
NET CURRENT ASSETS		<u>26,157,198</u>	<u>24,347,174</u>
CAPITAL AND RESERVES			
Share capital	5	13,567,812	13,567,812
Profit and loss account		12,589,386	10,779,362
		<u>12,589,386</u>	<u>10,779,362</u>
EQUITY SHAREHOLDERS' FUNDS		<u>26,157,198</u>	<u>24,347,174</u>

M Clark - Director



16 January 1996

NOTES TO THE ACCOUNTS

at 31 March 1995

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:

	1995 US\$	1994 US\$	1995 £	1994 £
UK corporation tax at 33%	932,753	1,960,215	599,456	1,305,940
Deferred taxation	-	(1,028,433)	-	(685,165)
	<u>932,753</u>	<u>931,782</u>	<u>599,456</u>	<u>620,775</u>

3. DEBTORS

	1995 US\$	1994 US\$	1995 £	1994 £
Amounts falling due within one year:				
Promissory notes	40,667,515	37,067,161	24,967,777	24,967,777
Group relief	59	29	36	20
	<u>40,667,574</u>	<u>37,067,190</u>	<u>24,967,813</u>	<u>24,967,797</u>
Amounts falling due after more than one year:				
Amounts due from ultimate parent company	13,782,944	9,865,691	8,462,024	6,645,353
	<u>54,450,518</u>	<u>46,932,881</u>	<u>33,429,837</u>	<u>31,613,150</u>

Norway Limited

NOTES TO THE ACCOUNTS

at 31 March 1995

4. CREDITORS: amounts falling due within one year

	1995 US\$	1994 US\$	1995 £	1994 £
Amount due to ultimate parent company	10,869,927	9,943,192	6,673,580	6,697,556
Corporation tax	976,425	844,690	599,475	568,968
Accruals	36	-	22	-
	<u>11,846,388</u>	<u>10,787,882</u>	<u>7,273,077</u>	<u>7,266,524</u>

5. SHARE CAPITAL

	1995 US\$	1994 US\$	1995 US\$	1994 US\$
			<i>Allotted, called up and fully paid</i>	<i>1995 and 1994</i>
Ordinary shares of \$1 each	30,000,000	15,655,168	26,000,000	13,567,812

6. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	1995 US\$	1994 US\$	1995 £	1994 £
Profit attributable to shareholders	6,459,031	3,636,156	1,810,024	1,501,313
Net addition to shareholders' funds	6,459,031	3,636,156	1,810,024	1,501,313
Opening equity shareholders' funds	36,145,813	32,509,657	24,347,174	22,845,861
Closing equity shareholders' funds	<u>42,604,844</u>	<u>36,145,813</u>	<u>26,157,198</u>	<u>24,347,174</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.