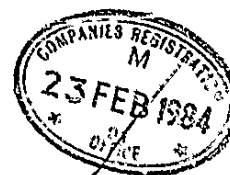
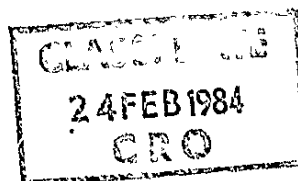


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MARFLEET REFINING COMPANY LIMITED

DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER, 1983

PEAT, MARWICK, MITCHELL & CO.,
Airedale House, Albion Street,
LEEDS. LS1 5TY



MARFLEET REFINING COMPANY LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST OCTOBER, 1983

1. HOLDING COMPANY

The company is a wholly owned subsidiary of Imperial Foods Limited and its ultimate holding company is Imperial Group Public Limited Company.

2. PRINCIPAL ACTIVITIES

The principal activity of the company is the processing and marketing of marine and vegetable oils and fats.

3. TRADING RESULTS

The sales and profit of the company are set out on page 4. The net profit after taxation amounts to £1,128,000. An amount of £900,000 will be distributed as a dividend to the holding company. The balance of £228,000 is added to reserves.

4. REVIEW OF BUSINESS

There has been considerable rationalisation during the year within the edible oil industry and it is difficult to assess the long term effects. It is however anticipated that the company's position will remain similar to earlier years and the company will continue to trade on that basis.

5. DIRECTORS

The names of Directors of the company throughout the period are set out below:

N.W. Alexander
S.A. Reed
C.O. Dixon
D.S. Lindsay
D.S. Sutton
K.T. Winkle

MARFLEET REFINING COMPANY LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST OCTOBER, 1983

(continued)

5. DIRECTORS (continued)

N.W. Alexander is also a director of Imperial Foods Limited. The interests of the other directors of the company in the ordinary shares of Imperial Group Public Limited Company on both 1st November, 1982 and 31st October, 1983, which are required to be notified to the company, according to the register kept by the company for the purposes of the Companies Act 1967, are set out below:

C.O. Dixon	200
	==

No director had any interest in any shares or debentures of the company or any other subsidiaries of Imperial Group Public Limited Company at either of the relevant dates.

6. EMPLOYMENT OF DISABLED PEOPLE

The company's policy is:

- (i) to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; and
- (ii) to ensure that any disabled person who is in employment with the company receives, so far as practicable, the same opportunities for training, career development and promotions as other employees.

7. AUDITORS

A resolution will be put to the members at the Annual General Meeting to appoint as auditors Deloitte Haskins and Sells to fill the vacancy arising following the resignation of Peat, Marwick, Mitchell & Co..

By order of the board,

R. GRANT

Secretary

Hull

19th December, 1983.

REPORT OF THE AUDITORS TO THE MEMBERS OF

MARFLEET REFINING COMPANY LIMITED

We have audited the accounts on pages 4 to 14 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out on pages 7 and 8, give a true and fair view of the state of the company's affairs at 31st October, 1983 and of its profit and source and application of funds for the year to that date and comply with the Companies Acts 1948 to 1981.

Paul Marshall Underhill G.

FEAT, MARWICK, MITCHELL & CO.,

Chartered Accountants.

Airedale House,
Albion Street,
Leeds.
LS1 5TY

19th December, 1983.

MARFLEET REFINING COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER, 1983

	<u>Note</u>	<u>1983</u> <u>£'000s</u>	<u>1982</u> <u>£'000s</u>
TURNOVER	1	27,541	26,959
Cost of sales		(24,736)	(24,501)
GROSS PROFIT		2,805	2,458
Distribution costs		(496)	(406)
Administrative expenses		(222)	(204)
Income from shares in group companies		-	29
Other income		16	11
Interest payable on bank overdraft		(24)	(26)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	2,079	1,862
Tax on profit on ordinary activities	3	951	761
PROFIT FOR THE FINANCIAL YEAR		1,128	1,101
Proposed dividend		900	3,100
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		228	(1,999)
Retained profit brought forward		183	2,182
RETAINED PROFIT CARRIED FORWARD		411	183
		=====	=====

The notes on pages 7 to 14 form part of these accounts.

MARFLEET REFINING COMPANY LIMITED

BALANCE SHEET AT 31ST OCTOBER, 1983

	Note	1983	1982
		£'000s	£'000s
FIXED ASSETS:			
Tangible assets	4	1,682	1,633
Investments (at cost)	5	1,487	1,487
		3,169	3,120
CURRENT ASSETS:			
Stocks	6	3,086	2,452
Debtors	7	5,124	3,406
Cash in hand		1	-
		8,211	5,858
CREDITORS: Amounts falling due within one year	8	9,963	7,981
Net current liabilities		(1,752)	(2,123)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,417	997
CREDITORS: Amounts falling due after more than one year:			
Corporation tax payable, 1st February, 1985		(956)	(764)
		461	233
CAPITAL AND RESERVES			
Called up share capital	10	50	50
Profit and loss account		411	183
		461	233

These accounts were approved by the board of directors on 19th December, 1983.

S.A. REED)
) Directors
C.O. DIXON)

The notes on pages 7 to 14 form part of these accounts.

11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1041 1042 1043 1044 10

MARFLEET REFINING COMPANY LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST OCTOBER, 1983

	<u>1983</u>	<u>1982</u>
	£'000s	£'000s
SOURCE OF FUNDS:		
Profit on ordinary activities before taxation	2,079	1,862
Adjustment for items not involving the movement of funds:		
Depreciation	250	246
Profit on sale of tangible fixed assets	(17)	(1)
FUNDS GENERATED FROM OPERATIONS	2,312	2,107
Proceeds from the sale of tangible fixed assets	35	9
	2,347	2,116
APPLICATION OF FUNDS:		
Purchase of fixed assets	317	387
Investment in subsidiary	-	1,487
Dividend paid	3,100	750
Tax paid	-	504
	3,417	3,128
(DECREASE) IN WORKING CAPITAL	(1,070)	(1,012)
COMPONENTS OF (DECREASE) IN WORKING CAPITAL		
Stocks	634	(500)
Debtors	1,718	997
Creditors falling due within one year	(3,440)	(1,561)
	(1,088)	(1,064)
Movement in net liquid funds:		
Increase in cash balance	1	-
Decrease in overdraft	17	52
	18	52
	(1,070)	(1,012)

MARFLEET REFINING COMPANY LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER, 19831. ACCOUNTING POLICIESBasis of accounting

The accounts are prepared under the historical cost convention.

Turnover

Turnover represents amounts invoiced to customers after deducting trade discounts and excluding value added tax.

The company carried on substantially different classes of business during the year. It is the directors opinion that the disclosure of the turnover and profits of each class would be seriously prejudicial to the interests of the company and therefore no analysis is given.

Stock

Stocks have been valued at cost, including production overheads, less, where appropriate, provisions to reduce to net realisable value.

Depreciation

Depreciation, calculated on original cost less government grants, is provided on a straight line basis over the anticipated lives of all assets as follows:

Buildings	2%
Plant and equipment	3% - 25%
Computers	20%
Goods vehicles	16.66% - 25%
Motor cars	25% - 33%

No depreciation is provided on freehold land.

Government grants

Government grants are deducted from the cost of the assets to which they relate.

MARFLEET REFINING COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER, 1983

(continued)

1. ACCOUNTING POLICIES (continued)

Deferred taxation

The company's policy is in accordance with the principles contained in Statement of Standard Accounting Practice 15. No provision for taxation is made where it is estimated that none will be payable in the foreseeable future.

Conversion of foreign currencies

All transactions of a trading nature are converted at the rate of exchange ruling at the date of the transaction.

Research and development expenditure

This expenditure is charged against revenue in the year in which it is incurred.

2. PROFIT BEFORE TAXATION

This is stated after charging/(crediting) the following items:

	<u>1983</u>	<u>1982</u>
	£'000s	£'000s
Depreciation	250	246
Directors' emoluments		
(note 11a)	Nil	Nil
Auditors' remuneration	15	14
Hire of plant and vehicles	7	4
Profit on sale of fixed assets	(17)	(1)
	<u>---</u>	<u>---</u>

MARFLEET REFINING COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER, 1983

(continued)

3. TAXATION

	<u>1983</u> £'000s	<u>1982</u> £'000s
Provision has been made for corporation tax at 52% (1982 - 52%) on the profits of the year as follows:		
Corporation tax:		
On the profit for the year	956	764
Prior year adjustment	<u>(5)</u>	<u>(3)</u>
	951	761
	===	===

The taxation charge for the period has been reduced by the effect of the following differences not provided in the profit and loss account.

Relief for increases in stock values	83	85
The excess of available capital allowances over depreciation provided in the accounts and other timing differences	<u>44</u>	<u>105</u>
	127	190
	===	===

MARFLEET REFINING COMPANY LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER, 1983

(continued)

4. TANGIBLE FIXED ASSETS

	<u>Total</u>	<u>Plant and</u>	<u>Fixtures,</u>	<u>Land and buildings</u>	
	<u>£'000s</u>	<u>Machinery</u>	<u>tools and</u>	<u>Short</u>	<u>Freehold</u>
		<u>£'000s</u>	<u>equipment</u>	<u>leasehold</u>	<u>£'000s</u>
			<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>
Cost:					
At 31st October, 1982	2,905	2,306	331	6	262
Additions	317	199	118	-	-
Disposals	(135)	(78)	(57)	-	-
At 31st October, 1983	3,087	2,427	392	6	262
Depreciation:					
At 31st October, 1982	1,272	1,043	151	6	72
Charge in year	250	169	76	-	5
Disposals	(117)	(77)	(40)	-	-
At 31st October, 1983	1,405	1,135	137	6	77
Net book value:					
At 31st October, 1983	1,682	1,292	205	-	185
At 31st October, 1982	1,633	1,263	180	-	190

At 31st October there were the following commitments for capital expenditure:

	<u>1983</u>	<u>1982</u>
	<u>£'000s</u>	<u>£'000s</u>
Contracted	33	12
Authorised but not contracted	10	6
	==	==

MARFLEET REFINING COMPANY LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST OCTOBER, 1983

(continued)

5. INVESTMENTS

The company owns the whole of the share capital, 100 shares of £1 each, of British Cod Liver Oils Limited.

The company also owns the whole of the share capital, 26,663,300 non-cumulative preference shares of 1p each and 266,633 ordinary shares of 1p each, of Seven Seas Health Care Limited.

Neither company has traded during the year. Consolidated accounts have not been prepared as Marfleet Refining Company Limited is a wholly owned subsidiary of a company incorporated in the United Kingdom.

6. STOCKS

	1983 £'000s	1982 £'000s
Raw materials	1,385	839
Work in progress	735	853
Finished goods	966	760
	<u>3,086</u>	<u>2,452</u>
	=====	=====

7. DEBTORS

Trade debtors	2,239	1,798
Amounts owed by group companies:		
Holding and fellow subsidiary companies	2,605	1,297
Other debtors	233	278
Prepayments and accrued income	47	33
	<u>5,124</u>	<u>3,406</u>
	=====	=====

MARFLEET REFINING COMPANY LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER, 1983

(continued)

8. CREDITORS

	<u>1983</u>		<u>1982</u>	
	£'000s	£'000s	£'000s	£'000s
Bank overdraft		21		38
Trade creditors		3,996		3,302
Amounts owed to group companies:				
Holding company		2,700		-
Subsidiary companies		1,487		1,487
Other creditors including taxation and social security:				
Corporation tax	759		-	
Other taxation	27		7	
Social security	<u>22</u>		<u>7</u>	
		808		14
Accruals and deferred income		51		40
Proposed dividend		<u>900</u>		<u>3,100</u>
		9,963		7,981
		=====		=====

Creditors include £21,000 (1982 - £3,000) in respect of pension commitments.

9. DEFERRED TAXATION

Having regard to the projected levels of capital expenditure it is considered that no provision for deferred taxation is necessary.

At 31st October, 1983 there was a potential liability for deferred taxation calculated at 52% in respect of the following item:

	<u>1983</u>	<u>1982</u>
	£'000s	£'000s
Accelerated depreciation and other timing differences	783	748
	==	==

MARFLEET REFINING COMPANY LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER, 1983

(continued)

10 SHARE CAPITAL

	<u>1983</u> £'000s	<u>1982</u> £'000s
Authorised, allotted, called up and fully paid:		
50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>

11. DIRECTORS AND EMPLOYEES

- (a) The directors of the company are employed by Imperial Foods Limited, a fellow subsidiary of the ultimate holding company and are remunerated by Imperial Foods Limited for their services to the Group. They did not receive any remuneration for their services as directors of the company and it is not practicable to apportion specifically their emoluments for other services to the company.

- (b) The average number of persons employed by the company in each of the following categories was:-

	<u>1983</u>	<u>1982</u>
Production	177	175
Sales and marketing	31	29
Distribution	4	4
Administration	<u>29</u>	<u>30</u>
	<u>241</u>	<u>238</u>

- (c) The costs incurred in respect of employees were:-

	£'000s	£'000s
Wages and salaries	1,487	1,380
Social security costs	145	150
Other pension costs	<u>74</u>	<u>68</u>
	<u>1,706</u>	<u>1,598</u>

MARFLEET REFINING COMPANY LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER, 1983

(continued)

12. CONTINGENT LIABILITY

No provision has been made in the accounts for a liability of £15,000 (1982 - £10,000) which represents that proportion of bills negotiated on export sales not covered by the Export Credit Guarantee Department.

13. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Imperial Group Public Limited Company, a company incorporated in England.