

Company Number: 3168607

PILGRIM FOOD GROUP LIMITED

ANNUAL REPORT

YEAR ENDED 31 MARCH 2003



PILGRIM FOOD GROUP LIMITED

COMPANY INFORMATION

Directors	W J Mapstone P N G Smith J Rowell
Secretary	P Townend
Company Number	3168607
Registered Office	Brighton Street Industrial Estate Freightliner Road Hull HU1 3YN
Auditors	PKF Pannell House 6 Queen Street Leeds LS1 2TW
Solicitors	Lupton Fawcett Yorkshire House Greek Street Leeds LS1 5SX
Bankers	National Westminster Bank plc PO Box 944 34 King Edward Street Hull HU1 3YN

PILGRIM FOOD GROUP LIMITED

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PILGRIM FOOD GROUP LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2003

The directors submit their report and the financial statements for the year ended 31 March 2003.

Results and dividends

The profit for the year, after taxation, amounted to **£15,254,000** (2002 - £2,123).

The directors recommend a dividend of £875,000 leaving a balance of £14,379,000 which is transferred to reserves.

Principal activity and review of the business

The principal activity of the company during the year was to act as a holding company and to manage the subsidiaries of the group.

The company has now sold its shareholdings in its subsidiary companies to Pilgrim Food Holdings Limited and will become dormant in future years.

Directors

The directors who served during the year were:

W J Mapstone
P N G Smith
J Rowell
S Dunn (resigned 6 June 2002)

No directors had an interest in the company's issued share capital during the year.

The interests of Messrs WJ Mapstone and PNG Smith in the shares of the parent company, Pilgrim Food Holdings, are disclosed in that company's financial statements.

Auditors

The auditors, PKF, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

16 March 2004

By order of the board



Secretary

P Townend

PILGRIM FOOD GROUP LIMITED
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 of the company 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;
- 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 enable them to ensure that the financial statements 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.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PILGRIM FOOD GROUP LIMITED**

We have audited the financial statements of Pilgrim Food Group Limited for the year ended 31 March 2003 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements 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 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

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

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 financial statements. It also includes an assessment of the significant estimates and judgments 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PILGRIM FOOD GROUP LIMITED (continued)**

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Leeds, UK
19 March 2004


PKF
Registered Auditors

PILGRIM FOOD GROUP LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2003

	Notes	2003 £000	2002 £000
TURNOVER	2	-	174
OPERATING PROFIT		-	174
Profit on disposal of fixed assets		14,381	-
		<u>14,381</u>	<u>174</u>
Income from shares in group undertakings		875	1,962
Interest payable and similar charges	3	-	(12)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>15,256</u>	<u>2,124</u>
TAXATION	4	(2)	(1)
PROFIT FOR THE FINANCIAL YEAR		<u>15,254</u>	<u>2,123</u>
DIVIDENDS	5	(875)	(2,564)
		<u>14,379</u>	<u>(441)</u>

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

PILGRIM FOOD GROUP LIMITED

BALANCE SHEET

31 MARCH 2003

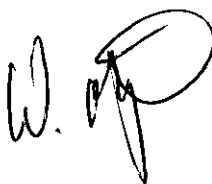
	Notes	2003 £000	2002 £000
FIXED ASSETS			
Investments	6	-	11,359
CURRENT ASSETS			
Debtors	7	22,585	-
Cash at bank and in hand		1	1
		<u>22,586</u>	<u>1</u>
CREDITORS: amounts falling due within one year	8	<u>(3,532)</u>	<u>(6,685)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>19,054</u>	<u>(6,684)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>19,054</u></u>	<u><u>4,675</u></u>
CAPITAL AND RESERVES (including non-equity interests)			
Called up share capital	9	659	659
Share premium account	10	3,986	3,986
Profit and loss account	10	14,409	30
SHAREHOLDERS' FUNDS	11	<u><u>19,054</u></u>	<u><u>4,675</u></u>

The financial statements were approved by the board on 16 March 2004

Signed on behalf of the board of directors

W J Mapstone

Director



PILGRIM FOOD GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Investments

Investments are included at cost less provision for permanent diminution in value.

2 TURNOVER

Turnover is attributable to one class of business.

All turnover arose within the United Kingdom.

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £000	2002 £000
Bank loans and overdrafts	-	12
	<u> </u>	<u> </u>

4 TAXATION

	2003 £000	2002 £000
UK corporation tax		
Current tax on income for the year	-	1
Adjustments in respect of prior periods	2	-
	<u> </u>	<u> </u>
Total UK taxation	2	1
	<u> </u>	<u> </u>

5 DIVIDENDS

	2003 £000	2002 £000
Ordinary shares		
Interim paid	-	2,564
Final proposed	875	-
	<u> </u>	<u> </u>

PILGRIM FOOD GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

6 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £000
Cost	
At 1 April 2002	11,359
Disposals	(11,359)
	<u>-</u>
At 31 March 2003	<u>-</u>

During the year the company sold its shares in Chaucer Foods Limited and Pilgrim Employee Benefit Trust (Trustees) Limited to its parent company, Pilgrim Food Holding Limited. The remaining dormant subsidiary companies were either liquidated or struck off and the related cost of investment written off.

7 DEBTORS

	2003 £000	2002 £000
Due within one year		
Amounts due from group undertakings	584	-
Due after one year		
Amounts due from group undertakings	22,001	-
	<u>22,585</u>	<u>-</u>

8 CREDITORS

	2003 £000	2002 £000
Amounts falling due within one year		
Amounts owed to group undertakings	3,532	6,453
Corporation tax	-	1
Other creditors	-	231
	<u>3,532</u>	<u>6,685</u>

PILGRIM FOOD GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

9 SHARE CAPITAL

	Authorised £000	Allotted, called up and fully paid No	£000
At 1 April 2002 and 31 March 2003			
Ordinary shares of £1 each	441	418,334	418
Convertible "A" ordinary shares of £1 each	243	217,900	218
Preference shares of 1p each	3,374	2,281,064	23
	<u> </u>	<u> </u>	<u> </u>

All the shares are owned by Pilgrim Food Holdings Limited and the rights attached to each class of share are set out in the Articles of Association of the company.

10 RESERVES

Share premium account	£000
At 1 April 2002	3,986
At 31 March 2003	<u>3,986</u>
 Profit and loss account	 £000
At 1 April 2002	30
Profit for the year	15,254
Dividends	(875)
At 31 March 2003	<u>14,409</u>

11 SHAREHOLDERS' FUNDS

	2003 £000	2002 £000
Shareholders' funds at 1 April 2002	4,675	5,116
Profit for the year	15,254	2,123
Dividends	(875)	(2,564)
Shareholders' funds at 31 March 2003	<u>19,054</u>	<u>4,675</u>
 Shareholders' funds include amounts attributable to non-equity interests as follows:		
Non-equity interests	<u>7,981</u>	<u>3,101</u>
Equity interests	<u>10,945</u>	<u>1,574</u>
Total	<u>19,054</u>	<u>4,675</u>

PILGRIM FOOD GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

12 TRANSACTIONS WITH RELATED PARTIES

As a 100% owned subsidiary of Pilgrim Food Holdings Limited, the company qualifies for the exemption from disclosing transactions with other group companies. Consolidated accounts for the group are publicly available.

No other related party transactions took place.

13 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The company is controlled by Pilgrim Food Holdings Limited.

In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.