

Accountants and business advisors

PILGRIM FOOD GROUP LIMITED

Company Number: 3168607

ANNUAL REPORT

YEAR ENDED 31 MARCH 2004



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

CONTENTS

	Page
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	2
INDEPENDENT AUDITORS' REPORT	3 - 4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 9

PILGRIM FOOD GROUP LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2004

The directors submit their report and the financial statements for the year ended 31 March 2004.

Results and dividends

The profit for the year, after taxation, amounted to **£NIL** (2003 - £15,254,000).

Principal activity and review of the business

The company has not traded during the year.

Directors

The directors who served during the year were:

W J Mapstone
P N G Smith
J Rowell

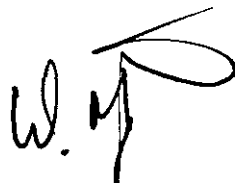
No directors had an interest in the company's issued share capital during the year.

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.

By order of the board



~~Secretary~~

W J Mapstone
Director

7 October 2004

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 2004 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 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Leeds, UK

7 October 2004

PKF

PKF

Registered Auditors

PILGRIM FOOD GROUP LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2004

	Notes	2004 £000	2003 £000
Profit on disposal of fixed assets		-	14,381
		-	14,381
Income from shares in group undertakings		-	875
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	15,256
TAXATION	2	-	(2)
PROFIT FOR THE FINANCIAL YEAR		-	15,254
DIVIDENDS	3	-	(875)
		-	14,379

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 2004

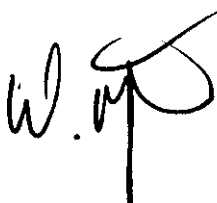
	Notes	2004 £000	2003 £000
CURRENT ASSETS			
Debtors	4	22,585	22,585
Cash at bank and in hand		1	1
		<u>22,586</u>	<u>22,586</u>
CREDITORS: amounts falling due within one year	5	<u>(3,532)</u>	<u>(3,532)</u>
NET CURRENT ASSETS		<u>19,054</u>	<u>19,054</u>
CAPITAL AND RESERVES (including non-equity interests)			
Called up share capital	6	659	659
Share premium account		3,986	3,986
Profit and loss account		14,409	14,409
SHAREHOLDERS' FUNDS	7	<u>19,054</u>	<u>19,054</u>

The financial statements were approved by the board on 7 October 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 2004

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

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

2 TAXATION

(a) Analysis of charge in year

	2004	2003
	£000	£000
UK corporation tax		
Adjustments in respect of prior periods	-	2
	<u> </u>	<u> </u>

(b) Factors affecting the tax charge for the year

	2004	2003
	£000	£000
Profit on ordinary activities before tax	-	15,256
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by the standard rate of corporation tax of 30% (2003: 30%)	-	4,577
Effects of:		
Non taxable profit on group disposal	-	(4,575)
	<u> </u>	<u> </u>
Current tax charge for the year	-	2
	<u> </u>	<u> </u>

3 DIVIDENDS

	2004	2003
	£000	£000
Ordinary shares		
Final proposed	-	875
	<u> </u>	<u> </u>
of which:		
Dividends on equity shares	-	875
	<u> </u>	<u> </u>

4 DEBTORS

	2004	2003
	£000	£000
Due within one year		
Amounts due from group undertakings	584	584
Due after one year		
Amounts due from group undertakings	22,001	22,001
	<u> </u>	<u> </u>
	22,585	22,585
	<u> </u>	<u> </u>

PILGRIM FOOD GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

5 CREDITORS

	2004	2003
	£000	£000
Amounts falling due within one year		
Amounts owed to group undertakings	3,532	3,532
	<u><u>3,532</u></u>	<u><u>3,532</u></u>

6 SHARE CAPITAL

	Authorised	Allotted, called up and	
	£000	fully paid	
		No	£000
At 1 April 2003			
and 31 March 2004			
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>4,058</u>	<u>2,917,298</u>	<u><u>659</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.

7 SHAREHOLDERS' FUNDS

	2004	2003
	£000	£000
Shareholders' funds at 1 April 2003	19,054	4,675
Profit for the year	-	15,254
Dividends	-	(875)
Shareholders' funds at 31 March 2004	<u><u>19,054</u></u>	<u><u>19,054</u></u>
Shareholders' funds include amounts attributable to non-equity interests as follows:		
Non-equity interests	7,981	7,981
Equity interests	11,073	11,073
Total	<u><u>19,054</u></u>	<u><u>19,054</u></u>

8 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.

PILGRIM FOOD GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

9 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The company is controlled by Pilgrim Food Holdings Limited.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Pilgrim Food Holdings Limited. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ.

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