

Weddel Swift Limited

Reports and financial statements

for the year ended 30 September 2002

Registered no: 4021321



Weddel Swift Limited

REPORTS AND FINANCIAL STATEMENTS **for the year ended 30 September 2002**

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Weddel Swift Limited

DIRECTORS' REPORT

for the year ended 30 September 2002

The directors present their report and the audited financial statements for the year ended 30 September 2002.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the import and export of meat and meat products.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The profit and loss account is presented on page 4. The year has produced an encouraging growth in turnover. Changes to the basis of allocating GATT licences have had an adverse impact on profitability.

The current year has started in a promising fashion with turnover and profits ahead of last year.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors recommend the payment of a dividend for the year of 18.22 pence per £1 ordinary share amounting to £364,000 (2001: nil). The remaining profit for the financial year of £329,000 (15 months to 30 September 2001: £913,000 - restated) has been transferred to reserves.

GROUP ACCOUNTS

The Company is a wholly owned subsidiary of Randall Parker Food Group Limited for which group accounts are prepared. Copies of these can be obtained from The Old Rectory, Cold Higham, Towcester, NN12 8LR.

DIRECTORS

The directors of the Company at 30 September 2002, all of whom have served throughout the year, are as follows:-

R L Randall
W J Parker
D R Brady
R J Field
P Firth

The directors are all directors of Randall Parker Food Group Limited, the parent company.

DIRECTORS' INTERESTS

None of the directors has any interest in the share capital of the Company at any time during the period. The directors are all directors of Randall Parker Food Group Limited, the parent company, and details of their shareholdings in the parent company are disclosed in the parent company accounts.

CHANGES IN FIXED ASSETS

The movements in fixed assets during the period are set out in note 12 to the financial statements.

RESEARCH AND DEVELOPMENT

The Company continues to increase the product range offered to customers.

EMPLOYEE INVOLVEMENT

The directors provide information to employees by means of management briefings and training. Managers are expected to be in touch with the views of employees and to consider such views seriously. It continues to be the policy of the Company to encourage employees' efforts and to reward employees accordingly.

Weddel Swift Limited

DIRECTORS' REPORT

for the year ended 30 September 2002 (continued)

EMPLOYMENT OF DISABLED PERSONS

The Company has continued its policy, which is:

- (a) to give full and fair consideration to applications for employment with the Company from disabled persons, having regard to their particular aptitudes and abilities and the working conditions that apply;
- (b) to endeavour always to continue the employment of any employee who becomes disabled while employed by the Company and, where possible and appropriate, to provide suitable retraining; and
- (c) to ensure that disabled employees shall have the same opportunities as all other employees for training, career development and promotion, having regard to their aptitudes and abilities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period.

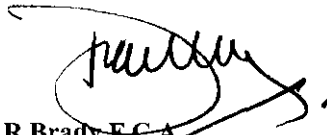
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 September 2002. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITORS

Following the conversion of our Auditors, PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned as Auditors on 27 March 2003 and the Directors appointed its successor, PricewaterhouseCoopers LLP to fill the casual vacancy arising. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

By order of the board


D R Brady F.C.A.
Secretary

27 March 2003

Independent auditors' report to the members of Weddel Swift Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit 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 financial statements. It also includes an assessment of the significant estimates and judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Liverpool

27 March 2003

Weddel Swift Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 September 2002

	Notes	Year ended 30 September 2002 £'000	15 months ended 30 September 2001 (restated) £'000
TURNOVER	3	53,688	37,262
Cost of sales		(50,668)	(33,799)
GROSS PROFIT		3,020	3,463
Net operating expenses	4	(2,253)	(2,544)
OPERATING PROFIT		767	919
Investment income	7	-	144
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		767	1,063
Interest payable and similar charges	8	(65)	(26)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	9	702	1,037
Taxation	10	(9)	(124)
PROFIT FOR THE YEAR		693	913
Dividends	11	(364)	-
PROFIT RETAINED FOR THE PERIOD	19	329	913

All results derive from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	£'000	£'000
Profit for the financial period		693	913
Prior year adjustment	2	10	-
Total recognised gains for the period		703	913

Weddel Swift Limited

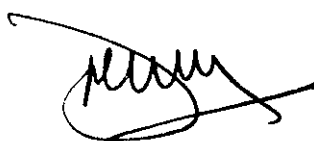
BALANCE SHEET at 30 September 2002

	Notes	2002 £'000	2001 £'000 (restated)
FIXED ASSETS			
Tangible assets	12	65	91
Investments	13	30	30
		<u>95</u>	<u>121</u>
CURRENT ASSETS			
Stocks	14	2,690	1,436
Debtors	15	10,717	9,051
Cash at bank and in hand		26	300
		<u>13,433</u>	<u>10,787</u>
CREDITORS: amounts falling due within one year	16	(10,279)	(7,972)
NET CURRENT ASSETS		<u>3,154</u>	<u>2,815</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,249</u>	<u>2,936</u>
Creditors: amounts falling due after more than one year	17	(7)	(23)
NET ASSETS		<u>3,242</u>	<u>2,913</u>
CAPITAL AND RESERVES			
Called up share capital	18	2,000	2,000
Profit and loss account	19	1,242	913
EQUITY SHAREHOLDERS' FUNDS	20	<u>3,242</u>	<u>2,913</u>

The financial statements on pages 4 to 14 were approved by the board of directors on 27 March 2003 and were signed on its behalf by:



R L Randall
Director



D R Brady F.C.A.
Director

Weddel Swift Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2002

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important group accounting policies which have been applied consistently, with the exception of the implementation of FRS 19 "Deferred Taxation" (see note 2), is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Group accounts

The Company has taken advantage of Section 228(1)(a) of the Companies Act 1985 under which group accounts need not be prepared where the company itself is a wholly owned subsidiary undertaking of another company incorporated within the EC which prepares consolidated financial statements.

Cashflow statement

The cash flows of the Company are included in the consolidated cash flow statements of Randall Parker Food Group Limited, the ultimate parent company which is established under the laws of an EC member state. This exempts the Company from having to prepare a cashflow statement.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition less any impairment in value.

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their expected useful lives.

The rates applicable are as follows:

Plant and machinery	-	10-33 %	per annum
Motor vehicles	-	20%	per annum
Office machines, fixtures and fittings	-	10-33 %	per annum
Computers	-	20%	per annum

Investment income

Income from investments is included, together with any related tax credit, in the profit and loss account on an accruals basis.

Hire purchase and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under the finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding.

Stock and work in progress

Stocks are stated at the lower of cost and net realisable value.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services provided and is recognised on despatch of goods to customers.

Weddel Swift Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2002 (continued)

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year or the rate of forward cover at that date. All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Deferred taxation

Deferred taxation is accounted for on an undiscounted basis at expected rates of tax on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is recognised when it is more likely than not that there will be suitable taxable profits from which the future reversal of timing differences can be deducted.

Pension scheme arrangements

The Company is part of the group's defined contribution pension scheme. Pension costs are charged to the profit and loss account on an accruals basis.

2. CHANGE IN ACCOUNTING POLICY – DEFERRED TAXATION

The effect of the change in accounting policy to adopt FRS 19 has been to increase the tax on profit on ordinary activities for the year by £3,000 (15 months ended 30 September 2001 reduced by £10,000) and thereby alter profits by like amounts. As the Company started trading on 1 October 2001, there is no deferred tax (provided or unprovided) at 1 October 2000.

	Year ended 30 September 2002 £'000	15 months ended 30 September 2001 £'000
3. TURNOVER		

Turnover is attributable to one class of business and arose solely from operations in the United Kingdom. The following table provides an analysis of turnover by geographical destination.

United Kingdom	26,484	16,958
Rest of Europe	7,989	5,352
Asia Pacific and Africa	1,628	805
Rest of World	483	906
Inter group	17,104	13,241
	53,688	37,262

	2002 £'000	2001 £'000
4. NET OPERATING EXPENSES		
Distribution costs	689	673
Administrative costs	1,564	1,871
	2,253	2,544

Weddel Swift Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2002 (continued)

5. DIRECTORS' EMOLUMENTS

All the Company's directors are also directors of the parent company. The directors' remuneration in respect of their services to the group, including Weddel Swift Limited, is paid by and disclosed in the account of the parent company.

	Year ended 30 September 2002 Number	15 months ended 30 September 2001 Number
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6. EMPLOYEE INFORMATION

The average number of persons employed by the Company during the period was:

Management and administration	15	19
Selling and distribution	10	9
	<u>25</u>	<u>28</u>

Staff costs (for the above persons)	£'000	£'000
Wages and salaries	915	905
Social security costs	103	98
Other pension costs (note 22)	45	43
	<u>1,063</u>	<u>1,046</u>

	2002 £'000	2001 £'000
7. INVESTMENT INCOME		
Interest receivable from group undertakings	-	99
Income from fixed asset investment	-	42
Profit on sale of fixed assets	-	3
	<u>-</u>	<u>144</u>

	2002 £'000	2001 £'000
8. INTEREST PAYABLE AND SIMILAR CHARGES		
On bank loans, overdrafts repayable within 5 years not by instalments	18	23
Interest payable under finance leases	1	3
Interest payable to group companies	46	-
	<u>65</u>	<u>26</u>

Weddel Swift Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2002 (continued)

	Year ended 30 September 2002 £'000	15 months ended 30 September 2001 £'000
9. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets for the period:		
Owned	36	54
Leased	8	4
Auditor's remuneration for:		
Audit	18	13
Other services	1	1
Hire of assets - operating leases		
Land and buildings	28	53
Other	52	60
	2002	2001
10. TAX ON PROFIT ON ORDINARY ACTIVITIES	£'000	£'000 (restated)
a) Analysis of charge in period:		
Current tax		
UK Corporation tax on profits for the period	2	134
Adjustments in respect of prior periods	4	-
Total current tax	6	134
Deferred tax		
Origination and reversal of timing differences (note 26)	3	(10)
Tax on profits on ordinary activities	9	124
b) Factors affecting tax charge for the period:		
Profit on ordinary activities before tax	702	1,037
Corporation tax of 30% (2001: 30%) on profit on ordinary activities	135	311
Effects of:		
- Expenses not deductible for tax purposes	14	10
- Depreciation in the period in excess of capital allowances	1	3
- Movements on taxable provisions	(2)	-
- Group relief not paid for	(148)	(190)
- Adjustments to tax charge in respect of prior periods	4	-
- Losses utilised	2	-
	6	134

Weddel Swift Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2002 (continued)

11.	DIVIDEND	2002 £000	2001 £000
	Final paid 18.22 pence per £1 ordinary share (2001: nil).	364	-
12	TANGIBLE FIXED ASSETS		
		Plant Machinery and vehicles £'000	Fixtures and fittings £'000
			Total £'000
	Cost		
	As at 1 October 2001	319	91
	Additions	17	1
	Disposals	(70)	-
	At 30 September 2002	266	92
	Depreciation		
	As at 1 October 2001	261	58
	Charge for period	36	8
	Disposals	(70)	-
	At 30 September 2002	227	66
	Net book value		
	30 September 2002	39	26
	Net book value		
	30 September 2001	58	33

Included in the above analysis is an amount of £2,000 (2002 : £10,000) which represents the written down value of assets acquired under hire purchase contracts.

13 FIXED ASSET INVESTMENTS £'000

Investment in subsidiary companies

Cost at 1 October 2001 and 30 September 2002 30

Analysis of investment in subsidiary companies

Name of subsidiary	Description of shares held	% Holding	Country of incorporation
Weddel Meats Limited Meat Importer	Ordinary £1 shares	100	England
Weddel Swift Trading GmbH Meat Importer	Shares of DM 50,000	100	Germany
Weddel Swift (Australasia) PTY Limited Meat Exporter	Ordinary Aus \$ 1 shares	100	Australia

Weddel Swift Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2002 (continued)

13 FIXED ASSET INVESTMENTS (continued)

The results for the year to 30 September 2002 and the shareholders' funds at the accounting date in the respective subsidiary companies are set out below:-

Subsidiary Company	Shareholders' Funds £'000	Profit for the year before taxation £'000
Weddel Meats Limited	8	8
Weddel Swift Trading GmbH	62	10
Weddel Swift (Australasia) PTY Limited	31	12

14 STOCKS

	2002 £'000	2001 £'000
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Finished goods and goods for resale	2,690	1,436
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15 DEBTORS

	2002 £'000	2001 £'000
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Trade debtors	4,006	2,573
Amounts owed by group companies	892	514
Amount owed by parent company	5,427	5,273
Amount owed by related parties	144	170
Other debtors	76	105
Prepayments and accrued income	165	406
Deferred taxation (note 26)	7	10

	10,717	9,051
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16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £'000	2001 £'000
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Bank Overdraft	129	-
Trade creditors	2,763	2,217
Amounts owed to group companies	4,435	3,418
Other creditors	2,489	1,822
Corporation tax	6	134
Other taxation and social security	29	18
Accruals, provisions and deferred income	412	345
Obligations under finance leases and hire purchase contracts	16	18

	10,279	7,972
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Of the amount included in other creditors £2,488,000 is fully secured by trade debtors outstanding at the accounting date and by a guarantee from the parent company and a fellow subsidiary. The Company is party to a group banking arrangement whereby there is a right of set off against certain bank balances within the group. The net overdraft of the group is secured on certain of the group assets.

Weddel Swift Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2002 (continued)

	2002 £'000	2001 £'000
17. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR		
Finance lease and hire purchase creditors	7	23

Maturity of Financial Liabilities

The maturity profiles of the carrying amounts of the Company's financial liabilities other than short term creditors such as trade creditors and accruals at 30 September 2002 were as follows:-

	2002 HP creditors £'000	2001 HP creditors £'000
Within 1 year or on demand	16	18
Between 1 and 2 years	7	18
Between 2 and 5 years	-	5
	23	41

18. CALLED UP SHARE CAPITAL	£	£
Authorised, allotted, called-up and fully paid 2,000,000 ordinary shares of £1 each – all issued in the period.	2,000,000	2,000,000

19. RESERVES	Profit & Loss account £'000
At 1 October 2001- as previously reported	903
Prior year adjustment (note 2)	10
At 1 October 2001 – as restated	913
Retained profit for the year	329
At 30 September 2002	1,242

Weddel Swift Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2002 (continued)

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the period ended 30 September	2002 £'000	2001 £'000
Profit for the financial year	329	913
Proceeds of ordinary share issue	-	2,000
	329	2,913
Opening Shareholders funds (originally £2,903,000 before adding prior year adjustment of £10,000)	2,913	-
Shareholders funds at 30 September	3,242	2,913

21. FINANCIAL COMMITMENTS

At 30 September 2002 and 2001 the Company had annual commitments under non-cancellable operating leases as follows:-

	Land & buildings 2002 £'000	Other 2002 £'000	Land & buildings 2001 £'000	Other 2001 £'000
Expiring within one year	-	22	-	2
Expiring between two and five years inclusive	40	14	35	40
	40	36	35	42

22. PENSION AND SIMILAR OBLIGATIONS

Eligible employees who chose to do so can join the Randall Parker Food Group Pension Scheme, which is a defined contribution scheme. The pension cost for the defined contributions scheme, which represents contributions payable by the Company, amounted to £45,000 (15 months to 30 September 2001: £43,000). At the accounting date there are no (15 months to 30 September 2001: nil) outstanding contributions to the scheme.

23. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the available exemptions under Financial Reporting Standards No 8 not to disclose any transactions or balances with entities that are part of the group or with investors in the group that would qualify as related parties. This exemption is available because the consolidated financial statements of Randall Parker Food Group Limited of which the Company is a subsidiary are publicly available. Other related party transactions are disclosed in the financial statements of Randall Parker Food Group Limited.

24. GUARANTEES

The Company has guaranteed certain borrowings of fellow subsidiaries and the parent company. At 30 September 2002 the total exposure was £7,757,903 (2001: £7,631,121).

Weddel Swift Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2002 (continued)

25. CAPITAL COMMITMENTS

The Company has no capital commitments at 30 September 2002 or 30 September 2001.

26. DEFERRED TAXATION

Deferred taxation included in the financial statements, is as follows:

	2002	Amount provided
	£'000	2001
		£'000
		(restated)
Accelerated capital allowances	7	10
Other timing differences	-	-
	<u>7</u>	<u>10</u>
Deferred tax asset (note 15)	7	10
	<u>7</u>	<u>10</u>
Movement in the period		
Asset at start of period	10	-
Charge/(credit) to profit and loss account (note 10)	(3)	10
	<u>7</u>	<u>10</u>
Closing deferred tax asset	7	10
	<u>7</u>	<u>10</u>

27. PARENT COMPANY

The directors regard Randall Parker Food Group Limited, a company registered in England and Wales, as the immediate and ultimate parent company.

The consolidated financial statements of Randall Parker Food Group Limited can be obtained from The Old Rectory, Cold Higham, Towcester, NN12 8LR