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EXPRESS DAIRY COMPANY LIMITED

ACCOUNTS

28TH SEPTEMBER, 1974.

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EXPRESS DAIRY COMPANY LIMITED

DIRECTORS' REPORT

DIRECTORS :

J. TRAVERS CLARKE (CHAIRMAN)
F. K. AIREY
D. J. DICKINSON
J. W. EVANS
A. R. GOOD
S. G. GRINSTEAD
J. W. HODGES
M. JOSEPH
C. P. LAMONT
J. J. REDMAN
E. K. ROBARTS
E. H. SHARP

1. The directors have pleasure in submitting their report together with the audited accounts for the 52 weeks ended 28th September, 1974.
 2. The company is the holding company for a number of subsidiaries which together form the Express Dairy Group. The group is engaged in the processing and distribution of milk and milk products.
 3. The profit for the year to 28th September, 1974, amounts to £5,406,315, and, after deducting extraordinary items of £24,873, leaves the sum of £5,381,442 available for distribution. The directors, having paid interim dividends of £7,878, recommend the payment of a final dividend of £2,090,389 leaving £3,283,175 to be carried forward.
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4. Details of directors' interests (as defined by the Companies Act, 1967) in the securities of Grand Metropolitan Limited are set out below :

28th September, 1974			29th September, 1973		
Ordinary : 10% Convertible Shares of : Unsecured 50p each: Loan Stock 1991/96			Ordinary : 10% Convertible Shares of : Unsecured 50p each: Loan Stock 1991/96		
		£			£
F. K. AIREY	76	-	76	-	-
D. J. DICKINSON	1,338	205	1,338	205	-
J. W. EVANS	100	-	-	-	-
J. W. HODGES	-	-	-	-	-
C. F. LAMONT	3,046	828	3,046	828	-
J. J. REDMAN	1,952	364	1,952	364	-
E. K. ROBARTS	5,429	1,515	5,429	1,515	-

Holdings of ordinary shares include holdings of "B" ordinary shares which were redesignated as ordinary shares on the 3rd October, 1973.

J. TRAVERS CLARKE, A. R. GOOD, S. G. GRINSTEAD, M. JOSEPH and E. H. SHARP are all directors of the ultimate holding company, Grand Metropolitan Limited, and details of their interests are entered in the registers maintained by that company.

5. The auditors, Messrs. Thomson McLintock & Co., Chartered Accountants, have expressed their willingness to continue in office in accordance with section 159 of the Companies Act, 1948.

By Order of the Board

D. J. DICKINSON

Secretary

7th February, 1975

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EXPRESS DAIRY COMPANY LIMITED

AUDITORS' REPORT

LONDON. 7th February, 1975. We have audited the books and records of Express Dairy Company Limited for the 52 weeks ended 28th September, 1974. The attached accounts have been properly prepared in accordance with the provisions of the Companies Acts, 1948 and 1967.

In our opinion, these accounts give a true and fair view of the state of affairs and profit of the company.

Thomson McLintock & Co.
Chartered Accountants.

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EXPRESS DAIRY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the 52 weeks ended 28th September, 1974.

<u>1973</u> <u>£</u>		<u>Note</u>	<u>£</u>
4,759,026	Profit before taxation	2	5,406,893
806,423	Group relief		-
5,565,449			5,406,893
	Taxation		
	Under provision in prior years		(578)
5,565,449	Profit after taxation		5,406,315
187,980	Extraordinary items	4	(24,873)
5,753,429			5,381,442
(77,261)	Transfer to General Reserve		-
(3,540,611)	Dividends paid or proposed		(2,098,267)
<u>£2,135,557</u>	Unappropriated profit		<u>£3,283,175</u>

The attached notes form part of
these accounts.

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EXPRESS DAIRY COMPANY LIMITED

BALANCE SHEET
as at 28th September, 1974.

THIS IS THE COPY REFERRED TO IN THE
ANNEXED CERTIFICATE "B"

1973 £		Note	£	£
	INVESTMENTS, at cost			
53,063,933	Subsidiary companies	5	52,887,024	
45,102	Associated companies	6	80,102	
1,05,674	Quoted	7	3,255,745	
53,214,709				56,222,871
	CURRENT ASSETS			
35,962	Debtors		175,985	
-	Due from group bank account	8	5,885,610	
4,060	Cash		4,061	
40,022			6,065,656	
	Less: CURRENT LIABILITIES			
(2,440,453)	Creditors		(5,344,485)	
(2,421,290)	Due to group bank account	8	-	
(81,395)	Current taxation		(3,664)	
(3,512,000)	Proposed dividend, gross		(2,090,389)	
(8,425,138)			(7,438,538)	
(8,385,116)	NET CURRENT ASSETS			(1,372,882)
	INTER-GROUP INDEBTEDNESS			
(7,895,452)	Holding company			
-	Fellow subsidiaries		(16,283,019)	
(7,895,452)				(16,283,019)
£36,934,141	NET ASSETS			£38,566,970
	Represented by:-			
15,139,256	SHARE CAPITAL	9		15,139,256
21,794,885	RESERVES	10		23,427,714
£36,934,141				£38,566,970

The attached notes form part of these accounts

..... J. W. HODGES)
 F. K. AIREY) Directors

EXPRESS DAIRY COMPANY LIMITED

NOTES TO THE ACCOUNTS

28th September, 1974.

Note

1 ACCOUNTING POLICIES

Rates of Exchange

Overseas currencies are converted into sterling at the market rates ruling at the year end.

2 PROFIT BEFORE TAXATION

Profit before taxation is after taking account of:

	1974 £	1973 £
Auditors' remuneration	-	1,264
Notional interest payable	-	28,040
Interest payable on short term loans	3,851	286
Interest receivable	(1,920)	(130,726)
Interest payable to holding company	-	319,324
Interest payable to fellow subsidiary companies	3,229,531	669,180
Interest receivable from fellow subsidiary companies	(77,090)	(36,993)
Dividends from subsidiary companies	(8,550,272)	(5,598,570)
Income from associated companies	(4,875)	(3,250)
Income from quoted investments	(6,948)	(6,618)

3 DIRECTORS' EMOLUMENTS

Directors emoluments, excluding pension contributions, were distributed as follows:

	1974	1973
Chairman	£18,501	£14,225
Highest paid director		£18,213
Other directors:		
Nil	3	4
£1 - £2,500	-	1
£2,501 - £5,000	1	2
£5,001 - £7,500	-	2
£7,501 - £10,000	3	2
£10,001 - £12,500	3	1
£12,501 - £15,000	-	1
£15,001 - £17,500	1	-

Twelve directors (1973 - fifteen) waived their rights to receive fees totalling £4,100 (1973 - £4,100).

The following emoluments have been charged in the accounts of subsidiary companies:

	£	£
Other emoluments	120,832	114,667
Pensions to former directors	2,432	2,513

AS AT 30TH SEPTEMBER, 1970.

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EXPRESS DAIRY COMPANY LIMITED

28th September, 1974.

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NOTES TO THE ACCOUNTS

Note

4 EXTRAORDINARY ITEMS

	1974 £	1973 £
Loss on exchange (profit 1973)	24,873	(187,980)

5 SUBSIDIARY COMPANIES

	1974 £	1973 £
Cost of Shares	31,823,515	31,867,747
Due from subsidiaries	30,145,476	29,762,205
	61,968,991	61,629,952
Due to subsidiaries	9,081,967	8,566,019
	<u>52,887,024</u>	<u>53,063,933</u>

The principal subsidiary companies were:-

	Country of registration or incorporation	Proportion of equity capital owned
Bladen Dairies Limited	England	100% (a)
Carbery Milk Products Limited	Republic of Ireland	80% (a)
Express Dairy Company (Aust.) Pty. Limited	Australia	100%
Express Dairy Company Limited - Ireland	Republic of Ireland	100%
Express Dairy Company (London) Limited	England	100%
Express Dairy Foods Limited	England	100%
Express Dairy (Management) Limited	England	100%
Express Dairy (Northern) Limited	England	100%
Express Dairy Property Company Limited	England	100%
Express Dairy (Western) Limited	England	100%
Fromageries Lutin S.A.	France	75%
Hammett's Dairies Limited	England	100%
Hawley's Bakeries Limited	England	100%
Independent Dairies Limited	England	100%
Marshall's Dairies Limited	England	100%
Northern Wholesale Dairies Limited	Scotland	100% (a)
Primrose & Len Dairies Limited	England	100%
Scottish Farmers Dairy Company Limited	Scotland	100% (a)
Sloan's Dairies Limited	Scotland	100%
Tavistock Services Limited	England	100%
Virginia Milk Products Limited	Republic of Ireland	100% (a)
	Ireland	100%
Woodhouse Hume Limited	England	100%

(a) - relates to the 'A' non-voting equity capital.

In the opinion of the directors of the company, the aggregate value of the assets of the subsidiary companies is not less than the aggregate of the amounts at which those assets are stated in the balance sheet.

NOTES TO THE ACCOUNTS

Note

(contd)

Group accounts are not submitted as the company is a wholly owned subsidiary of another body corporate incorporated in Great Britain and is exempt under S150 (2) Companies Act 1948.

ASSOCIATED COMPANIES

<u>Name of Company</u>	<u>Country of registration or incorporation</u>	<u>Proportion of 'A' non-voting, equity capital owned</u>
Eden Vale (Ireland) Limited	Republic of Ireland	50%
EMBU Limited	England	33.1/3%

Income from associated companies relates to distributed profits only. The company's share of the underlying assets of the associated companies is dealt with in the group accounts of Grand Metropolitan Limited.

QUOTED INVESTMENTS

The market value of the investments at 28th September, 1974, was £3,255,745 (1973 - £274,702). In view of the current uncertainty about the long-term trend of share prices a provision to write these down to mid-market prices at 28th September, 1974, has been charged to reserve.

GROUP BANK ACCOUNT

The company is party with Grand Metropolitan Limited, to a joint bank account called the "Express (GMH) Group Account".

SHARE CAPITAL

	<u>Units of</u>	<u>Authorised</u>	<u>Issued and converted into stock</u>	<u>1973 Issued and converted into stock</u>
		<u>£</u>	<u>£</u>	<u>£</u>
7% cumulative preference shares	£1.00	100,000	100,000	100,000
7% 'A' cumulative preference shares	£1.00	1,000,000	902,601	902,601
6% cumulative preference shares	£1.00	200,000	200,000	200,000
6% 'A' cumulative preference shares	£1.00	550,000	507,110	507,110
Ordinary shares	.25p	200,000	200,000	200,000
'A' Ordinary shares	.25p	13,450,000	13,229,545	13,229,545
		<u>£15,500,000</u>	<u>£15,139,256</u>	<u>£15,139,256</u>

The holders of all the preference and 'A' ordinary stocks in issue have waived their rights to receive dividends in respect of the year ended 28th September, 1974.

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NOTES TO THE ACCOUNTS

RESERVES

	<u>Share Premium</u>	<u>General</u>	<u>Balance of Profits</u>	<u>Total</u>
At 29th September, 1973	£771,500	£8,490,253	£12,533,132	£21,794,885
Movements:				
Loss on revaluation of Quoted Investments		(1,650,346)		(1,650,346)
Profit for the period			3,283,175	3,283,175
At 28th September, 1974	<u>£771,500</u>	<u>£6,839,907</u>	<u>£15,816,307</u>	<u>£23,427,714</u>

CONTINGENT LIABILITIES

	<u>1974</u> <u>£</u>	<u>1973</u> <u>£</u>
Guarantees in respect of unredeemed debentures of subsidiary companies	2,577,244	2,730,248
Guarantees of overdraft facilities granted to		
Subsidiary companies	873,018	441,176
Dairy trade federation	50,000	50,000

12. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Grand Metropolitan Limited, which is incorporated in England.

TRADING SUBSIDIARIESExpress Dairy Group

	Registered and operating in	Proportion of equity capital held (100% unless shown otherwise)
Atex Cleaning Ltd.	England	51%
Carbery Milk Products Ltd.	Republic of Ireland	80% (b)
East Kilbride Dairy Farmers Ltd.	Scotland	(a)
Express Dairy (Caterers) Ltd.	England	
Express Dairy Co. (London) Ltd.	"	
Express Dairy Co. Ltd.	Republic of Ireland	
Express Dairy Co. (Aust) Pty Ltd.	Australia	
Express Dairy Foods Ltd.	England	
Express Dairy (Management) Ltd.	"	
Express Dairy (Northern) Ltd.	"	
Express Dairy Property Co. Ltd.	"	
Express Dairy Co. (Scotland) Ltd.	Scotland	(b)
Express Dairy (Western) Ltd.	England	
Fromageries Lutin S.A.	France	75%
Hammett's Dairies Ltd.	England	
Hawleys Bakeries Ltd.	"	
Independent Dairies Ltd.	"	
Gemmell's Dairies Ltd.	Scotland	(b)
T.H. Lewis Ltd.	England	
Marshall's Dairies Ltd.	"	
North Devon (South Molton) Eggs Ltd.	"	
Primrose & Len Dairies Ltd.	"	
Sloans Dairies Ltd.	Scotland	
Somerset Dairies Ltd.	England.	
Spiers & Pond Ltd.	"	
Spen Valley Dairy Co. Ltd.	"	
Swiss Milk Products Ltd.	"	
Tavistock Services Co. Ltd.	"	
Virginia Milk Products Ltd.	Republic of Ireland.	(b)
Woodhouse Hume Ltd.	England	

Independent Dairies Limited Sub-Group (b)

Bladen Dairies Ltd.	England
Independent Milk Supplies Ltd.	"
Northern Wholesale Dairies Ltd.	Scotland
Scottish Farmers Dairy Co. Ltd.	"

NON-TRADING SUBSIDIARIES

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Express Dairy Group

A.1. Dairies Ltd.	England	
Allied Dairies Ltd.	"	
Antlover Creameries Ltd.	"	
James Aitken (Paisley) Ltd.	Scotland	
Ashfield Farm Dairies Ltd.	England	
Chatsworth Dairy Co. Ltd.	"	
Chicken Inns (London) Ltd.	"	
Crawfords Dairies Ltd.	Scotland	
Dairy Farmers Milk Supply Ltd	England	
T.E. Davies Ltd.	"	
Eden Vale Ltd.	"	
Eden Vale (Production) Ltd.	Republic of Ireland	
Express Dairy (Eggs) Ltd.	England	
Express Dairy Group Services Ltd	"	
Express Dairy (Manufacturing)	"	
Express Milk Products Ltd.	"	
E.D. Pension Trust Ltd.	"	
Express Dairy (Export) Ltd.	"	
Express Self-Service Stores Ltd.	"	
Express Supermarkets Ltd.	"	
Fields Dairies Ltd.	"	(b)
Griffins Dairies Ltd.	"	
Hornby & Clarke (Dairy Farmers) Ltd.	"	(b)
Independent Wholesale Dairies Ltd	"	(b)
William Horner Creameries Ltd.	England	
Lanyons Dairies Limited.	"	
George Lewis (Cheese Factors) Ltd	"	
Mayvale Finance Co. Ltd.	"	(b)
Newbury Creamery Ltd.	"	
North Devon Dairies Ltd.	"	
Packing Case & Timber Co. Ltd.	"	(b)
Processed Milk Supplies Ltd.	"	
L. Thomson Ltd.	"	(b)
Towers Creameries Ltd.	"	
Towers Holdings Ltd.	"	
Tuxford & Tebbutt Ltd.	"	(b)
Wickens Dairies Ltd.	"	
Alfred Wide & Co. Ltd.	"	
Wirral Milk Supplies Ltd.	"	
Yogiruit Ltd.	"	
Yorkshire Economic Laundries Ltd.	"	

Independent Dairies Ltd. - Sub-Group (b)

Chessington Dairies Ltd.	England
Chorley Wood Dairies Ltd.	"
J. Clark (Hainault) Ltd.	"
Drapers Dairies (Woodford) Ltd.	"
J. Evans Dairies (London) Ltd.	"
Express Dairy Company (Scotland) Ltd.	Scotland
Golden Seal Dairies Ltd.	England

Metropolitan Dairies Ltd. England
 Minsterley Creameries Ltd. "
 C. Moon & Sons Ltd. "
 E.W. Morgan & Sons Ltd. "
 Morgans Dairies (Kingsbury) Ltd. "
 Northern Retail Dairies (Dumfries) Ltd. Scotland
 Palace Dairies (Battersea) Ltd. England
 Pocock & Rayner Ltd. "
 Reliance Haulage Contractors Ltd. "
 John Ryle Ltd. "
 Rickmansworth Dairies Ltd. "
 Robinsons Dairies Ltd. "
 Scottish Farmers Dairy Co. (Bakeries) Ltd. Scotland
 Scottish Farmers Dairy Co. Ltd. "
 Seven Kings Dairies Ltd. England
 South Harrow Dairies Ltd. "
 United Dairies (Scotland) Ltd. Scotland
 Robert M. Wishart Ltd. "

Mayvale Finance Ltd. - Sub-Group (b)

Bradford Model Milk Co. Ltd. England
 Deva Dairies Ltd. "
 Smith's Hygenic Dairies Ltd. "
 Spiers & Pond (Caterers) Ltd. "

A.1. Dairies Ltd. - Sub-Group (b)

A.1. Dairies (Potters Bar) Ltd. "
 A.1. Dairies (Transport) Ltd. "
 F.J. Hollier & Sons Ltd. "
 Pearson & Son (Builders) Ltd. "
 Radlett Dairy Co. Ltd. "

Spiers & Pond Ltd. Sub-Group (b)

The Brighton Grand Hotel Co. Ltd. "
 Express Hotels Ltd. "

Hammetts Dairies Ltd Sub-Group (b)

Eden Vale Food Products Ltd.
 Gay's and Wheadons Dairies Ltd. "
 Marpool Dairy of Exmouth Ltd. "
 Park Street and Slough Dairies Ltd. "
 Sidmouth Dairies Ltd.

Sloan's Dairies Ltd - Sub-Group (b)

R & H Kennedy Ltd. Scotland
 Sloan's Motors Ltd. "

Hawley's Bakeries Ltd. - Sub-Group (b)

Hawley's Bakeries (Midlands) Ltd. England
 Hawley's Bakeries (Southern) Ltd. "
 Independent Bakeries Ltd. "

East Kilbride Dairy Farmers Ltd. - Sub-Group (b)

August Creameries Ltd.	Scotland
Cameron Easton & Co. Ltd.	"
Fenwick Farmers Ltd.	"
The Glasgow Dairy Co. Ltd.	"
Hoods Dairy Products Ltd.	"
Kilmaurs Dairy Farmers Ltd.	"
Lochside Dairies Ltd.	"
Ross's Dairies Ltd.	"
Torrance, Alexander, Fraser & Co. Ltd.,	"

- (a) Preference Shares also in issue 100% held.
(b) Shares held by a Subsidiary.

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D. J. DICKINSON

DIRECTORSHIPS OF OUTSIDE COMPANIES

NONE

DIRECTORSHIPS OF PARTLY-OWNED COMPANIES

First Wyvern Property Trustees Co. Ltd.

Second Wyvern Property Trustees Co. Ltd.

17.4.75

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A. R. GOOD

DIRECTORSHIPS OF OUTSIDE COMPANIES

Sanberry Investments Ltd.

Sanberry (Malta) Ltd.

Sanberry Developments (Malta) Ltd.

DIRECTORSHIPS OF PARTLY-OWNED COMPANIES

NONE

10.4.75

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S. G. GRINSTEAD

DIRECTORSHIPS OF OUTSIDE COMPANIES

NONE

DIRECTORSHIPS OF PARTLY-OWNED COMPANIES

The Gordon Hotels Ltd.
Bon Vivreur Ltd.
Coq d'Or Restaurant Co. Ltd.
The Monte Carlo Hotel Co. Ltd.
Grand Metropolitan Hotels (Scotland) Ltd.
More's Hotel Ltd.
Pastoria Ltd.
St. James Court Hotel Ltd.

10.4.75

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M. JOSEPH

DIRECTORSHIPS OF OUTSIDE COMPANIES

Giltspur Ltd.

Giltspur Investment & Finance Co. Ltd.

Montrose Trust Ltd.

Giltspur Property Holdings Ltd.

Fraser Ansbacher Ltd.

Henry Ansbacher & Co. Ltd.

Robert Fraser & Partners Ltd.

Robert Fraser & Partners (Finance 1935) Ltd.

Norfolk Capital Group Limited

Bristol & West Hotels Ltd.

Hartgreen Ltd.

Ledgeford Ltd.

Ledgeford Investments Ltd.

Ledgeford Securities Ltd.

The Lord Leicester Hotel Ltd.

Maintshead Property Co. Ltd.

Norfolk Hotel (Kensington) Ltd.

The York House Hotel (Bath) Ltd.

Angel Hotel (Chippenham) Ltd.

Beaufort Inns Ltd.

Latham Estates Ltd.

Max Joseph Estates Ltd.

Kilburn Estates Ltd.

Anewave Investments Ltd.

Lion Taverns Ltd.

Lion Taverns (Islington) Ltd.

Pakenham Arms Ltd.

DIRECTORSHIPS OF PARTLY-OWNED COMPANIES

The Gordon Hotels Ltd.

Bon Viveur Ltd.

Coq d'Or Restaurant Co. Ltd.

The Monte Carlo Hotel Co. Ltd.

Grand Metropolitan Hotels (Scotland) Ltd.

More's Hotel Ltd.

Pastoria Hotel Ltd.

10.4.75

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E. K. ROBARTS.

DIRECTORSHIPS OF OUTSIDE COMPANIES

Marlborough Motors St. Albans Ltd.

Robarts Investments Ltd.

EMBU Research & Service Co. Ltd.

DIRECTORSHIPS OF PARTLY-OWNED COMPANIES

NONE

17.4.75

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E. H. SHARP

DIRECTORSHIPS OF OUTSIDE COMPANIES

Giltspur Ltd.

Giltspur Investment & Finance Co. Ltd.

Montrose Trust Ltd.

Giltspur Property Holdings Ltd.

Grosvenor Industrial Services Ltd.

DIRECTORSHIPS OF PARTLY-OWNED COMPANIES

European Hotel Corporation (UK) Ltd.

The Gordon Hotels Ltd.

Bon Viveur Ltd.

Coq d'Or Restaurant Co. Ltd.

The Monte Carlo Hotel Co. Ltd.

Grand Metropolitan Hotels (Scotland) Ltd.

More's Hotel Ltd.

Pastoria Ltd.

St. James Court Hotel Ltd.

10.4.75