

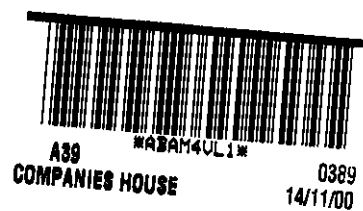
LOKAL LIMITED



ANNUAL REPORT AND FINANCIAL STATEMENTS

30TH APRIL 2000

REGISTERED NUMBER 1769290



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LOKAL LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the audited financial statements of the Company for the year ended 30th April 2000.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company operated as a meat trader during the year ended 30th April 2000. A summary of the results for the year is given on Page 4 of the financial statements.

DIVIDENDS

The Directors do not propose a final dividend (1999 nil).

DIRECTORS

The directors who served during the year were as follows:-

R A Johnson
G R Pollock
C J S Hulland

The share interests of the directors, who are also directors of the ultimate parent undertaking, Kleeneze plc, are shown in the financial statements of that undertaking.

YEAR 2000 COMPLIANCE

To date we have not identified any significant Year 2000 related problems occurring internally or with our customers or suppliers. Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain, because at least some level of failure may still occur. However, the Board believes that it has the resources to deal promptly with significant subsequent failures or issues that might arise.

SUPPLIER PAYMENT POLICY

The Company agrees terms of payment with suppliers prior to the supply of goods or services. The Company's policy is to observe all contracted commitments, including terms of payment.

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board



C J S Hulland
Secretary

27th July 2000

LOKAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

YEAR ENDED 30TH APRIL 2000

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 to enable them to ensure that the accounts 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.

LOKAL LIMITED

REPORT BY THE AUDITORS

To the members of Lokal Limited.

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

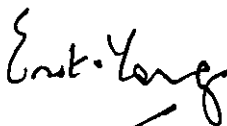
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 30th April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

27th July 2000

LOKAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH APRIL 2000

	<u>Note</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER	2	1,418,362	956,908
Cost of sales		(1,349,258)	(891,195)
Gross profit		<u>69,104</u>	<u>65,713</u>
Other operating charges		<u>(23,804)</u>	<u>(14,698)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	45,300	51,015
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	<u>(10,454)</u>	<u>(12,759)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE PERIOD		<u>34,846</u>	<u>38,256</u>

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the retained profit of the Company of £34,846 for the year ended 30th April 2000 and £38,256 for the year ended 30th April 1999.

MOVEMENTS IN SHAREHOLDERS' FUNDS

There were no movements in shareholders' funds during the year other than the retained profit reported in the profit & loss account above.

LOKAL LIMITED

BALANCE SHEET AT 30TH APRIL 2000

	<u>Note</u>	<u>2000</u> £	<u>1999</u> £
CURRENT ASSETS			
Stocks	7	220,142	158,153
Debtors	8	-	37,216
		<u>220,142</u>	<u>195,369</u>
 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	 9	 98,472	 108,545
		<u> </u>	<u> </u>
 NET CURRENT ASSETS		 121,670	 86,824
		<u> </u>	<u> </u>
 CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account	11	121,668	86,822
		<u> </u>	<u> </u>
 EQUITY SHAREHOLDERS' FUNDS		 121,670	 86,824
		<u> </u>	<u> </u>



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C J S Hulland
Director

Approved by the Board on 27th July 2000

LOKAL LIMITED

NOTES ON THE FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 2000

1. ACCOUNTING POLICIES

The accounts of the Company have been prepared under the historical cost convention and in accordance with applicable accounting standards and cover the year ended 30th April 2000.

The following principal accounting policies have been applied:-

TURNOVER

Turnover represents sales of goods at invoiced amounts excluding value added tax.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost includes direct expenditure and a proportion of overhead expenses where applicable. Net realisable value is based on estimated selling prices less any further costs to be incurred to completion and disposal.

STATEMENT OF CASH FLOWS

The Company has not prepared a cash flow statement as permitted by Finance Reporting Standard 1 as it is a wholly owned subsidiary undertaking.

2. TURNOVER

Turnover, all of which is derived from continuing operations, arises from food processing within the United Kingdom.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration in 1999 and 2000 was borne by Tranfood Meat Company Limited.

4. EMPLOYEES

The company had no employees during the year (1999 - nil).

5. DIRECTORS' EMOLUMENTS

The directors received no emoluments during the year (1999 - nil).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2000</u>	<u>1999</u>
	£	£
U.K. Corporation tax	14,000	16,000
Over provision in respect of previous year	(3,546)	(3,241)
	<u>10,454</u>	<u>12,759</u>

LOKAL LIMITED**NOTES ON THE FINANCIAL STATEMENTS** (Continued)**YEAR ENDED 30TH APRIL 2000****7. STOCKS**

	<u>2000</u>	<u>1999</u>
	£	£
Frozen meat stocks	220,142	158,153

8. DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Group balances	-	37,216

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2000</u>	<u>1999</u>
	£	£
Accruals	18,721	13,552
Group balances	69,978	78,993
Corporation Tax	9,773	16,000
	<u>98,472</u>	<u>108,545</u>

10. CALLED UP SHARE CAPITAL

	<u>2000</u>	<u>1999</u>
	£	£
Authorised:		
Ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
Ordinary shares of £1 each	2	2

11. RESERVES

	<u>Profit and Loss Account</u>
	£
At 30th April 1999	86,822
Retained profit for the year	<u>34,846</u>
At 30th April 2000	<u>121,668</u>

LOKAL LIMITED

NOTES ON THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30TH APRIL 2000

12. PARENT UNDERTAKING

The Company is a wholly owned subsidiary undertaking of Tranfood Meat Company Limited. The ultimate parent undertaking is Kleeneze plc which is both the largest and smallest group of which Lokal Limited is a member and for which group accounts are prepared. Group accounts can be obtained from the registered office at Farepak House, Westmead Drive, Westlea, Swindon SN5 7YZ.

13. CONTINGENT LIABILITY

The Company has given guarantees to National Westminster Bank Plc on behalf of certain subsidiary undertakings of Tranfood Meat Company Limited, its intermediate parent undertaking, Farepak Mail Order Limited and Kleeneze plc in connection with all monies from time to time owing to National Westminster Bank Plc.

At 30th April 2000 the Company, Kleeneze plc and certain fellow subsidiary companies had outstanding guarantees issued to National Westminster Bank Plc amounting to £400,000 (1999 : £400,000) in respect of guarantees issued by National Westminster Bank Plc to the Intervention Board for Agricultural Produce.

14. RELATED PARTIES

The Company has not disclosed transactions with related parties that are part of the Kleeneze plc Group or investees of the Group as permitted by Financial Reporting Standard 8. The controlling party is disclosed in the Group accounts.