

AGA FOODSERVICE GROUP PLC

Interim Accounts

For the period 1st January to 17th March 2001

Co No. 354715



**COMPANY PROFIT AND LOSS ACCOUNT
FOR THE 11 WEEKS ENDED 17 MARCH 2001**

	Notes	Period to 17 March 2001 £m
Net operating income/(costs)	3	2.1
Operating profit		2.1
Income from subsidiaries		2.7
Profit on sale of subsidiaries	8	84.7
Provision against subsidiaries	8	(27.6)
Profit on ordinary activities before interest and tax		61.9
Interest payable (net)	4	(1.8)
Profit on ordinary activities before tax		60.1
Tax on ordinary activities	6	(0.6)
Profit on ordinary activities after tax		59.5
Dividends	7	(1.3)
Profit retained	13	58.2

The above results relate to continuing activities.

The company has no recognised gains and losses other than the gains above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the results disclosed in the profit and loss account and the result on an unmodified historical cost basis.

The movement on the profit and loss account is shown in note 13 to the accounts.

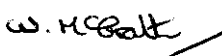
RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS


	Period to 17 March 2001 £m
Profit for period	58.2
New share capital issued	32.3
Opening shareholders' funds	728.4
Closing shareholders' funds	818.9

COMPANY BALANCE SHEET – 17 MARCH 2001

	Notes	2001 £m
Fixed assets		
Investments	8	113.9
Total fixed assets		113.9
Current assets		
Debtors	9	784.2
Cash at bank and in hand		465.8
Total current assets		1250.0
Creditors: amounts falling due within 1 year	10	(529.6)
Net current assets		720.4
Total assets less current liabilities		834.3
Provisions for liabilities and charges	11	(15.4)
Total net assets		818.9
Capital and reserves		
Called-up share capital	12	64.4
Share premium account	13	54.4
Capital redemption reserve	13	2.3
Profit and loss account	13	697.8
Total equity shareholders' funds		818.9

The accounts on pages 2 to 8 were approved by the Board of Directors on 19 APRIL 2001 and were signed on its behalf by:


W B McGrath
Chief Executive


S M Smith
Finance Director

NOTES TO THE ACCOUNTS

1. Accounting policies

The following statements outline the main accounting policies of the company:

Basis of accounting

The historical cost convention is used for the preparation of the accounts except where adjusted for revaluation of certain fixed assets.

The accounts have been prepared in accordance with applicable Accounting Standards.

Deferred taxation

Deferred taxation is taken into account to the extent that a liability will probably arise in the foreseeable future and is calculated at taxation rates expected to apply at that time.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the mid-market rates of exchange ruling at the balance sheet date unless matched by forward contracts. These exchange differences are dealt with through the profit and loss account. Where the translation of overseas subsidiaries and related companies gives rise to an exchange difference this is taken direct to reserves.

Pension costs

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services.

Investments

Full provision is made for accumulated post acquisition losses of subsidiaries up to the cost of individual investments.

2. Analysis of turnover and profits

In the opinion of the directors there is no substantial difference between the activities of the company.

3. Net operating income/(costs)

	Period to 17 March 2001
	£m
Profits on exchange	2.2
Bank charges	(0.1)
Management charges	0.4
Staff costs (see note 5)	(0.4)
Total net operating income	2.1

NOTES TO THE ACCOUNTS (CONTINUED)

4. Interest payable (net)

	Period to 17 March 2001 £m
Interest receivable	0.5
Bank loans and overdrafts interest payable	(5.8)
Other borrowings - Exchangeables	(0.6)
Net intra group interest	4.1
Total interest payable	(1.8)

5. Employees

	Period to 17 March 2001 £m
Staff costs (including directors)	
Wages and salaries	0.3
Social security costs	0.1
Other pension costs	-
Total staff costs	0.4

The average number of employees (including directors) in the period was 7.

6. Tax on profit on ordinary activities

	Period to 17 March 2001 £m
United Kingdom corporation tax on the loss for the period at 30%	-
Deferred tax	0.6
Total tax charge	0.6

7. Dividends

	Period to 17 March 2001 £m
Ordinary dividend	
Proposed final dividend of 8.8p on 14,910,000 shares	1.3
Total dividends	1.3

NOTES TO THE ACCOUNTS (CONTINUED)

8. Investments

	Subsidiaries
	£m
Cost	
At beginning of period	414.1
Intra-group transfers	(154.0)
Additions	32.2
Disposals	(88.2)
	<u>204.1</u>
At end of period	<u>204.1</u>
Provisions	
At beginning of period	(70.9)
Provision in period	(27.6)
Disposals	8.3
	<u>(90.2)</u>
Net book value	
At end of period	<u>113.9</u>
At beginning of period	<u>343.2</u>

The company's principal subsidiaries at 31st December 2000 (which are all 100% owned unless stated) are listed on page 55 of Aga Foodservice Group plc 2000 Annual Report and Accounts.

The following changes have taken place during the period:

There was an increase in the investment in Astec Holdings Limited of £32.2 million which related to the conversion of the Exchangeables into 14,910,000 ordinary shares in the Aga Foodservice Group plc at a price of 216 pence. With effect from 16th March 2001, Astec was transferred to AFG Foodservice Equipment Limited, at cost.

The disposals relates to the sale of Glynwed Pipe Systems Limited, Glynwed Properties Limited, Victaulic Limited, Glynwed Overseas Holdings Limited, Glynwed Foundry Products Limited and Posiflex Limited to Etex Group SA on 9th March 2001, as detailed below:

	9th March 2001
	£m
Sales proceeds received	180.6
Cost of investment in companies sold	(88.2)
Provision released	8.3
Provision for disposal costs	(16.0)
	<u>84.7</u>
Profit on disposal	<u>84.7</u>

NOTES TO THE ACCOUNTS (CONTINUED)

9. Debtors

	2001 £m
Amounts owed by the company's subsidiaries undertakings	762.8
Other debtors	5.3
Taxation	16.1
Total debtors	<u>784.2</u>

10. Creditors: amounts falling due within one year

	2001 £m
Bank overdrafts	20.7
Floating rate loan notes – 1996/2005	6.8
Other borrowings	16.6
Amounts due to company's subsidiaries undertakings	462.0
Other creditors	0.7
Accruals and deferred income	0.2
Dividends payable	22.6
Total creditors falling due within one year	<u>529.6</u>

11. Provisions for liabilities and charges

	Deferred taxation £m	Other provisions £m	Total £m
Provisions at beginning of period	-	-	-
Utilised in the period	-	(1.2)	(1.2)
Profit and loss movement	0.6	16.0	16.6
Provisions at end of period	<u>0.6</u>	<u>14.8</u>	<u>15.4</u>

Other provisions

These relate to the provision made for the loss on disposal on the disposal of Pipe Systems to Etex Group SA.

Deferred taxation

The liability for deferred taxation at the year end is set out below: -

	2001 Provided £m	Unprovided £m
Short term timing differences	<u>0.6</u>	<u>-</u>

NOTES TO THE ACCOUNTS (CONTINUED)

12. Called-up share capital

	Authorised 2001 £m	Issued and fully paid 2001 £m
Ordinary shares of 25p each	81.8	64.4

On 9th March 2001 14.91 million ordinary shares were issued at 216 pence as part of the conversion of the Exchangeables into shares.

13. Reserves

	Share Premium £m	Capital redemption reserve £m	Profit and loss account £m
Opening balance	25.9	2.3	639.6
New share capital subscribed	28.5		
Profit for period	-	-	58.2
Closing balance	54.4	2.3	697.8

The company's profit and loss reserves of £697.8 million include approximately £280 million which is unavailable for distribution.