

Trouw (UK) Limited

**Directors' report and financial
statements**

Registered number 291738

Draft - 31 December 2008

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

Principal activities

The principal activities of the company during the year were the manufacture and marketing of agricultural animal and fish food, and speciality feeds.

Business review

The international Nutreco Group (of which the company is a part) has activities in the key sectors of the nutrition industry. Nutreco has long term committed financing facilities which are more than sufficient to meet future needs, including capital expenditure to grow the business. The trading performance for the year is set out on page 6.

Development and Performance of the Business

The transfer of the activities of the animal feed business based at Northwich to Frank Wright Trouw Nutrition was completed during the year with all production activities ceasing at Northwich in May. Additional expenses totalling £250,000 were incurred relating to the closure of this part of the business.

The animal feed business within Northern Ireland has continued to perform well, the aquaculture business operationally performed well during the year, however, a bad debt charge of £1,967,000 had to be incurred to provide against monies owed by Lighthouse Caledonia.

Investment within the aquaculture operations of approximately £4,334,000 has resulted in significant improvements in manufacturing efficiency and quality.

Risk and Uncertainty

The agriculture and aquaculture markets in which the company operates are increasingly competitive, with limited market growth opportunities.

The availability and price of the main raw materials can have a significant impact on profitability and the company continues to endeavour, through continuing research and development programmes and global purchasing initiatives to mitigate the impact of these changes on its operating results. Within the aquaculture business a sharp increase in the price of major feed ingredients, combined with the effect of sterling weakening resulted in increased turnover and cost of sales.

The market in which the company operates requires that high product quality and traceability standards be met. The company operates comprehensive quality systems throughout the supply chain to ensure these requirements are adhered to, and continues to invest in the use of Information Technology to improve systems and the speed of quality communication.

Key Performance Indicators (KPI's)

The company monitors all aspects of its business through KPI's, both financial and non-financial. Financial KPI's measure profitability, cost control and working capital control. Non-financial KPI's measure qualitative aspects of the business, relating to customer service and Overall Equipment Effectiveness (OEE).

Research and development

The company relies on the Nutreco Group's major research facilities in Spain, the Netherlands, Norway and France which carry out both basic and applied research into nutrition and feed formulation. The Aquaculture Research Centre in Stavanger (Norway) is a world leading centre of research.

Dividends paid and transfer to reserves

The company has neither declared nor paid a dividend in respect of the year ended 31 December 2008 (2007: *£nil*). The retained loss for the year amounts to £1,946,000 (2007: *profit £383,000*) which has been transferred to reserves.

Directors' report *(continued)*

Directors

The directors who held office during the year were as follows:

J G Oskam
W Dekker
G T Bargeman
J Williamson

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Disabled persons

It is the company's policy to give full consideration to suitable applications for employment by disabled persons. Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the company who become disabled to continue in employment or to be trained for other positions in the company.

Employee involvement

During the year, meetings are held on a regular basis to provide employees with information concerning the company's performance and future developments.

Political and charitable contributions

The company made charitable contributions during the year totalling £8,465 (2007: £11,949). It did not make any political donations.

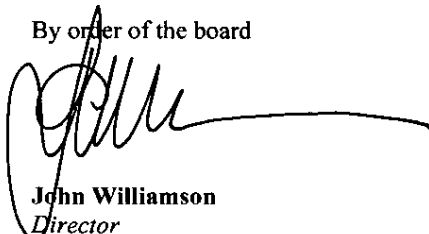
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'John Williamson', with a long horizontal line extending to the right.

John Williamson
Director

Minsal Works
Wincham
Northwich
Cheshire
CW9 6DF

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the members of Trouw (UK) Limited

We have audited the financial statements of Trouw (UK) Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Statement of Total Recognised Gains and Losses 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 financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 Trouw (UK) Limited
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

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KPMG LLP

Chartered Accountants

Registered Auditors

23 October 2009

Profit and loss account
for the year ended 31 December 2008

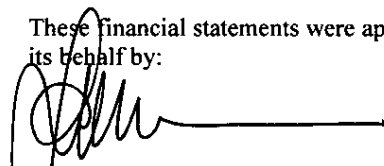
	Note	Discontinued Operations £000	Continuing Operations £000	2008 Total £000	Discontinued Operations £000	Continuing Operations £000	2007 Total £000
Turnover from continuing operations	2	3,747	99,130	102,877	19,930	93,694	113,624
Cost of sales		(3,524)	(91,002)	(94,526)	(16,751)	(86,559)	(103,310)
Gross profit		223	8,128	8,351	3,179	7,135	10,314
Distribution costs		(240)	(4,182)	(4,422)	(1,439)	(2,453)	(3,892)
Administrative expenses		(442)	(3,870)	(4,312)	(2,370)	(4,419)	(6,789)
(Loss)/Profit on ordinary activities before interest	3	(459)	76	(383)	(630)	263	(367)
Interest receivable and similar income	4			1,740			2,254
Interest payable and similar charges	5			(2,412)			(2,132)
Other finance charges	6			86			26
Loss on sale of fixed assets	3			(737)			-
Loss on ordinary activities before taxation	2-7			(1,706)			(219)
Taxation on loss on ordinary activities	8			57			602
Retained (loss)/profit for the year	16			(1,649)			383

The discontinued activities relates to the transfer of the activities of the animal feed business based at Northwich to Frank Wright Limited which was completed during the year with all production activities ceasing at Northwich in May 2008.

Balance sheet
at 31 December 2008

	<i>Note</i>	2008 £000	2007 £000
Fixed assets			
Tangible assets	9	11,974	9,441
Investments	10	38	38
		<hr/>	<hr/>
		12,012	9,479
Current assets			
Stocks	11	11,211	10,210
Debtors	12	63,159	62,095
Cash at bank and in hand		1,436	1,852
		<hr/>	<hr/>
		75,806	74,157
Creditors: amounts falling due within one year	13	(58,353)	(51,978)
		<hr/>	<hr/>
Net current assets		17,453	22,179
		<hr/>	<hr/>
Total assets less current liabilities		29,465	31,658
Pension liability	19	(1,493)	(798)
		<hr/>	<hr/>
Net assets		27,972	30,860
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	15	5,404	5,404
Share premium account	16	471	471
Profit and loss account	16	22,097	24,985
		<hr/>	<hr/>
Equity shareholders' funds		27,972	30,860
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 23.10.2009 and were signed on its behalf by:


John Williamson
 Director

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2008

	2008 £000	2007 £000
(Loss)/profit for the financial year	(1,649)	383
Other recognised (losses)/gains (net)	(1,239)	668
Net (reduction)/addition to shareholders' funds	(2,888)	1,051
Opening shareholders' funds	30,860	29,809
Closing shareholders' funds	27,972	30,860

Statement of total recognised gains and losses
for the year ended 31 December 2008

	2008 £000	2007 £000
(Loss)/profit for the financial year	(1,649)	383
Actuarial (loss)/gain recognised in the pension scheme	(1,733)	954
Deferred tax arising on losses and gains in the pension scheme	494	(286)
Total recognised gains relating to the financial year	(2,888)	1,051

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in respect to the financial statements, except as noted below.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

The company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary of Nutreco Holding NV, and its cash flows are included within the consolidated cashflow statement of that company.

As a wholly owned subsidiary, the company is exempt from disclosing transactions with other Group undertakings or with investees of the Group qualifying as related parties in accordance with Financial Reporting Standard No 8.

The transfer of the activities of the animal feed business based at Northwich to Frank Wright Limited was completed during the year with all production activities ceasing at Northwich in May 2008, which represents the discontinued activities.

Leased assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge. Rentals in respect of all other leases are charged to the profit and loss account as incurred.

Government grants

Capital based government grants are included within deferred income in the balance sheet and are credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings and long leasehold properties	-	20 to 25 years
Transport, plant and equipment	-	3 to 13 years

No depreciation is provided on freehold or long leasehold land.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or over the period of the lease where this is shorter.

Stocks and work in progress

Stocks are valued at the lower of cost, on a first-in first-out basis, and net realisable value after making due allowances for any obsolete or slow moving items. In the case of finished goods and work in progress, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads. The allocation of manufacturing fixed overheads has regard to budgeted normal production.

Notes (continued)

1 Accounting policies (continued)

Research and development

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Taxation

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the sale of goods to third party customers.

Pension costs

The Company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The surplus (to the extent that they are recoverable) or deficit of the pension scheme is recognised in full. The movement in the surplus / deficit of the scheme is split between operating charges, finance items and, in the statement of total recognised gain and losses.

The Company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Notes (continued)

2 Turnover by geographical market

	2008 £000	2007 £000
United Kingdom	101,013	104,033
Europe EC countries	1,423	9,187
Europe Non EC countries	441	404
	<hr/> 102,877 <hr/>	<hr/> 113,624 <hr/>

All turnover originated in the United Kingdom.

3 (Loss)/profit on ordinary activities before taxation

(Loss)/Profit on ordinary activities is stated after charging/(crediting):

	2008 £000	2007 £000
Depreciation of owned assets	1,424	1,693
Hire of plant	58	55
Other operating lease rentals	104	118
Head office know-how service agreement	645	483
Exceptional bad debt expense	1,967	-
Loss/(profit) on sale of fixed assets	737	47
	<hr/> <hr/>	<hr/> <hr/>

An exceptional bad debt charge of £1,967,000 was incurred in the year to provide against monies owed by Lighthouse Caledonia.

Auditors' remuneration:

	2008 £000	2007 £000
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	57	54
Other services relating to taxation	-	25
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

4 Interest receivable and similar income

	2008 £000	2007 £000
Receivable from group undertakings	1,740	2,251
Other interest receivable	-	3
	<u>1,740</u>	<u>2,254</u>

5 Interest payable and similar charges

	2008 £000	2007 £000
Payable to group undertakings:		
- Factoring	1,243	1,270
- Nutreco Interest	1,167	760
Bank loans and overdraft	2	102
	<u>2,412</u>	<u>2,132</u>

6 Other finance charges

	2008 £000	2007 £000
Expected return on pension scheme assets	2,236	1,944
Interest on pension scheme liabilities	(2,150)	(1,918)
	<u>86</u>	<u>26</u>

7 Directors and employees

<i>Employee costs:</i>	2008 £000	2007 £000
Wages and salaries	5,208	7,004
Social security costs	583	846
Pension costs	429	669
	<u>6,220</u>	<u>8,519</u>

<i>Average employee numbers:</i>	2008 Number	2007 Number
Manufacturing	81	117
Distribution and marketing	3	3
Administration	98	101
	<u>182</u>	<u>221</u>

Notes (continued)

7 Directors and employees (continued)

<i>Directors' emoluments:</i>	2008 £000	2007 £000
Remuneration, including pension contributions	109	268
Compensation for loss of office	-	303
	<u> </u>	<u> </u>

All directors are employed within the continuing operations of the company.

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £109,000 (2007: £418,000) and Company pension contributions of £9,000 (2007: £4,454) were made to a money purchase scheme on his behalf.

	Number of directors 2008	2007
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	<u>1</u>	<u>2</u>

8 Taxation

<i>Analysis of tax (credit)/charge</i>	2008 £000	2007 £000
UK corporation tax	-	(668)
Group relief recoverable	(1,167)	-
	<u> </u>	<u> </u>
UK corporation tax	(1,167)	(668)
Deferred taxation	882	(2,258)
Adjustment in respect of prior period	-	-
Effect of change in corporation tax rate	4	(72)
Effect of FRS 17	224	2,396
	<u> </u>	<u> </u>
Charge for the period	(57)	(602)
	<u> </u>	<u> </u>

Notes (continued)

8 Taxation (continued)

Factors affecting the tax (credit)/charge for the year

The current tax charge for the year is lower (2007: lower) than the standard rate of corporation tax in the UK 28.5% (2007: 30%). The differences are explained below:

	2008 £000	2007 £000
Loss on ordinary activities before tax	(1,706)	(219)
Expected tax charge of 28.5% (2007: 30%)	(486)	(66)
<i>Effects of:</i>		
(Income) / expenses not (chargeable) / deductible for tax purposes - net	32	34
Depreciation in excess of capital allowances	50	106
Other short term timing differences	(763)	(697)
Write off of deferred tax due to abolishment of IBAs	-	(45)
Current tax charge	(1,167)	(668)

9 Tangible fixed assets

	Assets under construction £000	Freehold land and buildings £000	Transport, plant and equipment £000	Total £000
Cost				
At beginning of year	592	8,219	26,452	35,263
Additions	4,307	336	215	4,858
Disposals	-	-	(3,718)	(3,718)
Transfers	(2,458)	-	2,458	-
At end of year	2,441	8,555	25,407	36,403
Depreciation				
At beginning of year	-	5,427	20,395	25,822
Charge for year	-	218	1,206	1,424
Disposals	-	-	(2,817)	(2,817)
At end of year	-	5,645	18,784	24,429
Net book value				
At 31 December 2008	2,441	2,910	6,623	11,974
At 31 December 2007	592	2,792	6,057	9,441

The gross amount of depreciable assets included within freehold land and buildings is £7,938,000 (2007: £7,602,000).

Notes (continued)

10 Fixed asset investments

	Shares in Subsidiary Undertakings £000
<i>Cost</i>	
At beginning and end of year	243
	<hr/>
<i>Amounts provided</i>	
At beginning and end of year	205
	<hr/>
<i>Net book value</i>	
At beginning and end of year	38
	<hr/>

The subsidiary undertakings are as follows:

		Country of Registration	Percentage of shares held
Nordos (UK) Limited	Non trading	England & Wales	100
Trouw Nutrition Limited	Non trading	England & Wales	100
Trouw Nutrition (UK) Limited	Non trading	England & Wales	100
Trouw Nutrition (Northern Ireland) Limited	Non trading	Northern Ireland	100
Trouw Aquaculture Limited	Non trading	Scotland	100
Trouw (UK) Pension Trust Limited	Non trading	England & Wales	100

11 Stocks

	2008 £000	2007 £000
Raw materials	8,988	7,349
Finished goods and goods for resale	2,223	2,861
	<hr/>	<hr/>
	11,211	10,210
	<hr/>	<hr/>

12 Debtors

	2008 £000	2007 £000
Trade debtors	19,874	18,309
Amounts owed by parent and fellow subsidiary undertakings	40,469	40,903
Other debtors	1,454	558
Corporation tax debtor	805	805
Deferred tax asset (see note 14)	361	1,247
Prepayments and accrued income	196	273
	<hr/>	<hr/>
	63,159	62,095
	<hr/>	<hr/>

Notes (continued)

13 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Trade creditors	21,206	17,090
Amounts owed to group undertakings	36,476	32,566
Other taxes and social security	177	415
Other creditors and accruals	494	1,907
	<u>58,353</u>	<u>51,978</u>

Amounts owed to group undertakings comprise:

	2008 £000	2007 £000
Parent and fellow subsidiary undertakings		
- other	11,765	11,000
- factoring	24,711	21,566
	<u>36,476</u>	<u>32,566</u>

14 Provisions for liabilities and charges

	2008 £000	2007 £000
<i>Provision for deferred taxation</i>		
Accelerated capital allowances	787	351
Short term timing differences	(1,148)	(1,598)
	<u>(361)</u>	<u>(1,247)</u>
Undiscounted provision for deferred tax		
	<u>(361)</u>	<u>(1,247)</u>
<i>Movement of the deferred tax provision/(asset)</i>		
At beginning of year	(1,247)	1,083
Transfer to profit and loss account	886	(2,330)
	<u>(361)</u>	<u>(1,247)</u>
At end of year (see note 12)		
	<u>(361)</u>	<u>(1,247)</u>

Notes (continued)

15 Called up share capital

	2008 £000	2007 £000
<i>Authorised</i>		
Ordinary shares of £1 each	5,404	5,404
Unclassified shares of £1 each	46	46
	<u>5,450</u>	<u>5,450</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>5,404</u>	<u>5,404</u>

16 Reserves

	Share premium Account £000	Profit and loss Account £000
At 1 January 2008	471	24,985
Retained loss for the year	-	(1,649)
Actuarial loss on pension scheme (net of deferred tax)	-	(1,239)
	<u>471</u>	<u>22,097</u>
At 31 December 2008	<u>471</u>	<u>22,097</u>

17 Financial commitments

The annual commitment under non-cancellable operating leases was as follows:

	2008 Plant and machinery £000	2007 Plant and Machinery £000
<i>Leases expiring:</i>		
Within one year	71	85
Within two to five years	34	45
Over five years	-	-
	<u>105</u>	<u>130</u>

18 Contingent liabilities

At 31 December 2008 there was a contingent liability in respect of a duty deferment guarantee provided by The Royal Bank of Scotland to a value of £27,000 (2007: £27,000).

Notes (continued)

19 Pension commitments

The company provides post-retirement benefits through two pension schemes. The main scheme operated by the company is the Nutreco (UK) Pension Scheme which is a defined benefit pension scheme closed to new and existing members. In addition the company operates the Trouw UK Stakeholder Pension Scheme which is a defined contribution scheme for new employees.

The latest full actuarial valuation was carried out at 31 December 2006 and was updated for FRS 17 purposes to 31 December 2008 by a qualified independent actuary.

	2008 £000	2007 £000
Present value of funded defined benefit obligations	(34,743)	(37,589)
Fair value of plan assets	32,655	36,449
	<u>(2,088)</u>	<u>(1,140)</u>
Present value of unfunded defined benefit obligations	-	-
Deficit	(2,088)	(1,140)
Notional deferred tax thereon	595	342
	<u>(1,493)</u>	<u>(798)</u>
<i>Movements in present value of defined benefit obligation</i>		
	2008 £000	2007 £000
At 1 January	(37,589)	(38,206)
Interest cost	(2,150)	(1,918)
Actuarial gains	3,427	1,347
Benefits paid	1,569	1,188
	<u>(34,743)</u>	<u>(37,589)</u>
At 31 December		

Notes (continued)

19. Pension commitments (continued)

	2008 £000	2007 £000
<i>Movements in fair value of plan assets</i>		
At 1 January	36,449	28,127
Expected return on plan assets	2,236	1,944
Actuarial losses	(5,160)	(393)
Contributions by employer	699	7,959
Member contributions	-	-
Benefits paid	(1,569)	(1,188)
	<hr/>	<hr/>
At 31 December	32,655	36,449
	<hr/>	<hr/>
<i>Expense that would be recognised in the profit and loss account</i>		
	2008 £000	2007 £000
Interest on defined benefit pension plan obligation	(2,150)	(1,918)
Expected return on defined benefit pension plan assets	2,236	1,944
	<hr/>	<hr/>
Total	86	26
	<hr/>	<hr/>

The credit is recognised in other finance income in the profit and loss account

The total amount recognised in the statement of total gains and losses in respect of actuarial gains and losses is £1,733,000 loss (2007: £887,000 gain).

The fair value of the plan assets and the return on those assets were as follows:

	2008 £000	2007 £000
Equities	9,684	18,084
Fixed bonds	4,368	3,615
Property	-	-
Other	18,603	14,750
	<hr/>	<hr/>
	32,655	36,449
	<hr/>	<hr/>
Actual return on plan assets	1,730	2,401
	<hr/>	<hr/>

Notes (continued)

19. Pension commitments (continued)

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2008 %	2007 %
Discount rate	6.00	5.80
Expected rate of return on plan assets	5.30	6.60
Rate of increase to deferred pensions	3.00	3.30
Rate of increase of pensions in payment	3.10	3.30
Inflation assumption	3.00	3.30

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 20.3 years (male), 23.1 years (female).
- Future retiree upon reaching 65: 21.1 years (male), 23.9 years (female).

History of plans

The history of the plans for the current and prior periods is as follows:

Balance sheet

	2008 £000	2007 £000	2006 £000	2005 £000	2004 £000
Present value of scheme liabilities	(34,743)	(37,589)	(38,206)	(38,466)	(36,518)
Fair value of assets	32,655	36,449	28,127	27,645	22,768
Deficit/surplus	(2,088)	(1,140)	(10,079)	(10,821)	(13,750)

The entity has taken advantage of the exemption given in FRS 17 paragraph 95C and has not restated the corresponding amounts for the first two of the previous four accounting periods for the effect of using the current bid-price rather than the mid-market price.

20 Ultimate parent undertaking

The company is a subsidiary undertaking of Nutreco Holding NV incorporated in the Netherlands.

The largest group in which the results of the company are consolidated is that headed by Nutreco Holding NV incorporated in the Netherlands. The consolidated accounts of Nutreco Holding NV are available to the public and may be obtained from Nutreco Holding NV, Veerstraat 38, PO box 220, 5830 AE Boxmeer, Netherlands.