

Alembic Products Limited

Financial statements

For the year ended 31 March 2006

Grant Thornton 



Company No. 1503644

Company information

Company registration number	1503644
Registered office	Brymau Two Estate River Lane Saltney Chester CH4 8RQ
Directors	A Simmons J M StJ Harris A V Brown G C Hughes S P Tasker K D Duncan M A Brooks S M Watkins
Secretary	S M Watkins
Bankers	Clydesdale Bank Plc 2 Bishops Wharf Walnut Tree Close Guildford GU1 4UP
Solicitors	Brabners Chaffe Street 1 Dale Street Liverpool L2 2ET
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 1st Floor Royal Liver Building Liverpool L3 1PS

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2006.

Principal activities and business review

The company manufactures and supplies dressings, sauces and natural oils to the food and food service industries.

Sales increased by 3.9% during the year whilst operating costs fell by 3.7%, resulting in an increase in operating profit of 43%. Profit after taxation for the year was £525,855, compared to £346,215 in the previous year.

The current year has started well, with first quarter sales and profit ahead of last year, and the directors expect this trend to continue throughout the year.

Results and dividends

The profit for the year, after taxation, amounted to £525,855. Particulars of dividends paid and proposed are detailed in note 10 to the financial statements.

Financial risk management objectives and policies

The company's major raw materials are bought on international commodity markets, which can be subject to price variation from year to year. It is the company's policy to cover these commodities forward for future delivery from reputable suppliers at contracted prices to match our sales prices and commitments. The amount of forward cover will vary with these commitments. The directors have considerable experience in managing commodity market risk.

The company operates comprehensive management information systems for monitoring and controlling cash flow, liquidity and credit risk. All financial ratios have improved during the last year, and the directors expect further improvement in the current year.

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	31 March 2006	1 April 2005
A Simmons	-	-
J M StJ Harris	-	-
A V Brown	-	-
G C Hughes	-	-
S P Tasker	-	-
K D Duncan	-	-
M A Brooks	-	-
S M Watkins	-	-

The interests of the directors in the share capital of the ultimate parent undertaking, Alembic Foods Limited, are shown in that company's accounts, apart from S P Tasker, K D Duncan, M A Brooks and S M Watkins who hold 62,500, 62,500, 50,000 and 50,000 ordinary £1 shares respectively.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the directors to prepare financial statements 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

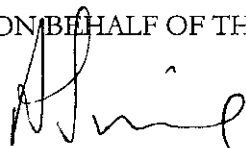
there is no relevant audit information of which the company's auditors are unaware; and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'A Simmons', written over the printed text 'ON BEHALF OF THE BOARD'.

A Simmons
Director

9 August 2006

Report of the independent auditor to the members of Alembic Products Limited

We have audited the financial statements of Alembic Products Limited for the year ended 31 March 2006 on pages 10 to 23. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 10.

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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 and the information given in the Report of the Directors is consistent with the financial statements. We also 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 Report of the Directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of 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 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.

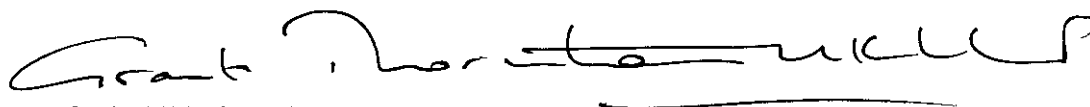
Report of the independent auditor to the members of Alembic Products Limited (continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit 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 Report of the Directors is consistent with the financial statements for the year ended 31 March 2006.



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LIVERPOOL

5th August 2006

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-FRS 21 'Events after the Balance Sheet date (IAS 10)'.

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has resulted in a prior year adjustment for the company. For year ended 31 March 2005, the change in accounting policy has resulted in a net increase in retained profit for the year of £11,704. The balance sheet at 31 March 2005 has been restated to reflect the de-recognition of a liability for proposed equity dividends of £11,704.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year excluding VAT and trade discounts.

Fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	10% - 20% straight line
Fixtures & Fittings	-	12.5% - 20% straight line
Motor Vehicles	-	25% straight line
Office Equipment	-	20% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account as they become due.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Forward contracts

Open forward contracts are valued collectively at the prices ruling at the year end and provision is made for any net unrealised loss thereon.

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Profit and loss account

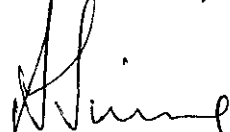
	Note	2006 £	2005 (restated) £
Turnover	1	22,885,737	22,021,431
Cost of sales		18,703,903	17,990,416
Gross profit		4,181,834	4,031,015
Other operating charges	2	3,269,916	3,393,787
Operating profit	3	911,918	637,228
Income from fixed asset investments	6	—	4,238
Amounts written off investments	7	—	(800)
Interest payable	8	187,588	98,953
Profit on ordinary activities before taxation		724,330	541,713
Tax on profit on ordinary activities	9	198,475	195,498
Profit for the financial year	22	525,855	346,215

All of the activities of the company are classed as continuing.

Balance sheet

	Note	2006 £	2005 (restated) £
Fixed assets			
Tangible assets	11	<u>2,914,805</u>	<u>2,857,278</u>
Current assets			
Stocks	12	<u>1,023,958</u>	<u>999,187</u>
Debtors	13	<u>5,702,333</u>	<u>6,147,240</u>
		<u>6,726,291</u>	<u>7,146,427</u>
Creditors: amounts falling due within one year	14	<u>4,751,421</u>	<u>5,376,812</u>
Net current assets		<u>1,974,870</u>	<u>1,769,615</u>
Total assets less current liabilities		<u>4,889,675</u>	<u>4,626,893</u>
Creditors: amounts falling due after more than one year	15	<u>881,527</u>	<u>1,139,396</u>
		<u>4,008,148</u>	<u>3,487,497</u>
Provisions for liabilities			
Deferred taxation	17	<u>271,500</u>	<u>265,000</u>
		<u>3,736,648</u>	<u>3,222,497</u>
Capital and reserves			
Called-up equity share capital	20	<u>10,457</u>	<u>10,457</u>
Share premium account	21	<u>42,880</u>	<u>42,880</u>
Profit and loss account	22	<u>3,683,311</u>	<u>3,169,160</u>
Shareholders' funds	23	<u>3,736,648</u>	<u>3,222,497</u>

These financial statements were approved by the directors on 9 August 2006 . and are signed on their behalf by:



A Simmons
 Director



A V Brown
 Director

Cash flow statement

	Note	2006 £	2005 (restated) £
Net cash inflow/(outflow) from operating activities	24	1,743,732	(1,454,653)
Returns on investments and servicing of finance			
Income from other fixed asset investments		–	4,238
Interest paid		(176,149)	(91,327)
Interest element of finance leases and hire purchase		(11,439)	(7,626)
Net cash outflow from returns on investments and servicing of finance		(187,588)	(94,715)
Taxation		(186,422)	(123,498)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(673,395)	(496,617)
Receipts from sale of fixed assets		10,917	13,248
Disposal of investments		–	500
Net cash outflow for capital expenditure and financial investment		(662,478)	(482,869)
Acquisitions and disposals			
Acquisition of shares in group undertakings		–	(1,300)
Disposal of shares in group undertakings		–	800
Net cash outflow from acquisitions and disposals		–	(500)
Equity dividends paid		(11,704)	–
Cash inflow/(outflow) before financing		695,540	(2,156,235)
Financing			
(Repayment of)/increase in bank loans		(46,361)	974,900
Capital element of finance leases and hire purchase		(56,019)	(48,587)
Net inflow from other long-term creditors		7,833	227,167
Net cash (outflow)/inflow from financing		(94,547)	1,153,480
Increase/(decrease) in cash	24	600,993	(1,002,755)

The accompanying accounting policies and notes form part of these financial statements.

Other primary statements

Statement of total recognised gains and losses

	2006	2005 (restated)
	£	£
Profit for the financial year	525,855	346,215
Total recognised gains and losses relating to the year	<u>525,855</u>	<u>346,215</u>
Prior year adjustment	<u>11,704</u>	
Total gains and losses recognised since the last financial statements	<u>537,559</u>	

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.
 An analysis of turnover is given below:

	2006 £	2005 (restated) £
United Kingdom	<u>22,885,737</u>	<u>22,021,431</u>

2 Other operating charges

	2006 £	2005 (restated) £
Administrative expenses	<u>3,269,916</u>	<u>3,393,787</u>

3 Operating profit

Operating profit is stated after charging/(crediting):

	2006 £	2005 (restated) £
Amortisation of government grants re fixed assets	—	(167)
Depreciation of owned fixed assets	542,945	573,282
Depreciation of assets held under finance leases and hire purchase agreements	61,671	61,671
Loss/(Profit) on disposal of fixed assets	335	(6,300)
Auditor's remuneration:		
Audit fees	<u>14,380</u>	<u>13,800</u>

4 Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2006	2005 (restated)
	No	No
Number of production staff	119	109
Number of selling and distribution staff	11	8
Number of administration and management staff	23	21
Number of technical and development staff	17	13
	<u>170</u>	<u>151</u>

The aggregate payroll costs of the above were:

	2006	2005 (restated)
	£	£
Wages and salaries	3,173,415	2,889,837
Social security costs	269,591	266,006
	<u>3,443,006</u>	<u>3,155,843</u>

5 Directors

Remuneration in respect of directors was as follows:

	2006	2005 (restated)
	£	£
Emoluments receivable	<u>443,110</u>	<u>302,844</u>
Emoluments of highest paid director:		
	2006	2005 (restated)
	£	£
Total emoluments (excluding pension contributions)	<u>87,565</u>	<u>103,859</u>

6 Income from fixed asset investments

	2006	2005 (restated)
	£	£
Dividend from joint venture	<u>-</u>	<u>4,238</u>

7 Amounts written off investments

	2006	2005 (restated)
	£	£
Amount written off investments	—	800

8 Interest payable

	2006	2005 (restated)
	£	£
Interest payable on bank borrowing	6,165	38,537
Finance charges	11,439	7,626
Other similar charges payable	169,984	52,790
	<u>187,588</u>	<u>98,953</u>

9 Taxation on ordinary activities

(a) Analysis of charge in the year

	2006	2005 (restated)
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	191,553	186,000
Under provision in prior year	422	1,498
Total current tax	<u>191,975</u>	<u>187,498</u>
Deferred tax:		
Origination and reversal of timing differences	6,500	8,000
Tax on profit on ordinary activities	<u>198,475</u>	<u>195,498</u>

9 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2005 - 30%).

	2006 £	2005 (restated) £
Profit on ordinary activities before taxation	<u>724,330</u>	<u>541,713</u>
Profit on ordinary activities at 30% (2005 - 30%)	217,299	162,513
Expenses not deductible for tax purposes	5,412	25,194
Excess of capital allowances over depreciation for the year	(6,500)	18,970
Marginal relief	(24,658)	(20,677)
Adjustments to tax charge in respect of prior periods	422	1,498
Total current tax (note 9(a))	<u>191,975</u>	<u>187,498</u>

10 Dividends

Dividends on shares classed as equity

	2006 £	2005 (restated) £
Paid during the year		
Dividend paid on ordinary shares @ £1.12 per share	<u>11,704</u>	<u>—</u>

11 Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 April 2005	5,026,329	1,506,274	149,760	473,272	7,155,635
Additions	641,040	4,938	—	27,417	673,395
Disposals	—	—	(56,791)	—	(56,791)
At 31 March 2006	<u>5,667,369</u>	<u>1,511,212</u>	<u>92,969</u>	<u>500,689</u>	<u>7,772,239</u>
Depreciation					
At 1 April 2005	2,831,229	949,938	84,362	432,828	4,298,357
Charge for the year	414,569	149,738	23,239	17,070	604,616
On disposals	—	—	(45,539)	—	(45,539)
At 31 March 2006	<u>3,245,798</u>	<u>1,099,676</u>	<u>62,062</u>	<u>449,898</u>	<u>4,857,434</u>
Net book value					
At 31 March 2006	<u>2,421,571</u>	<u>411,536</u>	<u>30,907</u>	<u>50,791</u>	<u>2,914,805</u>
At 31 March 2005	<u>2,195,100</u>	<u>556,336</u>	<u>65,398</u>	<u>40,444</u>	<u>2,857,278</u>

11 Tangible fixed assets (continued)

Included within the net book value of £2,914,805 is £80,835 (2005 - £142,506) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £61,671 (2005 - £61,671).

12 Stocks

	2006	2005 (restated)
	£	£
Raw materials	568,686	481,386
Finished goods	455,272	517,801
	<u>1,023,958</u>	<u>999,187</u>

13 Debtors

	2006	2005 (restated)
	£	£
Trade debtors	2,625,193	2,998,394
Amounts owed by group undertakings	2,887,000	2,887,000
Other debtors	112,745	142,517
Prepayments and accrued income	77,395	119,329
	<u>5,702,333</u>	<u>6,147,240</u>

The amounts owed by group undertakings is due after more than one year.

14 Creditors: amounts falling due within one year

	2006	2005 (restated)
	£	£
Bank loans and overdrafts	1,664,066	2,087,733
Trade creditors	2,414,419	2,511,255
Corporation tax	191,553	186,000
Other taxation and social security	83,961	77,588
Amounts due under finance leases and hire purchase agreements	42,015	56,019
Other creditors	176,456	234,111
Accruals and deferred income	178,951	224,106
	<u>4,751,421</u>	<u>5,376,812</u>

15 Creditors: amounts falling due after more than one year

	2006	2005 (restated)
	£	£
Bank loans	646,527	870,214
Amounts due under finance leases and hire purchase agreements	—	42,015
Other creditors	235,000	227,167
	<u>881,527</u>	<u>1,139,396</u>

Bank loan

The bank loan is secured by a debenture over the company's assets and an unlimited guarantee from the company's parent undertaking. The bank loan is repayable in monthly instalments by December 2009.

Borrowings are repayable as follows:

	2006	2005 (restated)
	£	£
Within one year		
Bank and other borrowings	1,664,066	2,087,733
Finance leases	42,015	56,019
Other creditors	—	7,833
After one and within two years		
Bank and other borrowings	221,422	205,897
Finance leases	—	42,015
Other creditors	—	23,500
After two and within five years		
Bank and other borrowings	425,105	664,317
Other creditors	235,000	70,500
After five years		
Other creditors	—	133,167

16 Commitments under finance leases and hire purchase agreements

Future commitments under finance leases and hire purchase agreements are as follows:

	2006	2005 (restated)
	£	£
Amounts payable within 1 year	42,015	56,019
Amounts payable between 1 and 2 years	—	42,015
	<u>42,015</u>	<u>98,034</u>

17 Deferred taxation

The movement in the deferred taxation provision during the year was:

	2006	2005 (restated)
	£	£
Provision brought forward	265,000	257,000
Profit and loss account movement arising during the year	6,500	8,000
Provision carried forward	<u>271,500</u>	<u>265,000</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2006	2005 (restated)
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>271,500</u>	<u>265,000</u>

Deferred taxation provided in the financial statements is in respect of accelerated capital allowances.

18 Leasing commitments

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as set out below.

	2006		2005	
	Land & Buildings	Other Items	Land & Buildings (restated)	Other Items (restated)
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	-	-	5,501
Within 2 to 5 years	-	69,438	-	55,292
After more than 5 years	245,416	-	235,505	-
	<u>245,416</u>	<u>69,438</u>	<u>235,505</u>	<u>60,793</u>

19 Contingent liabilities

At 31 March 2006 and at 31 March 2005 the company has guaranteed the bank liabilities of its parent undertaking Alembic Foods Limited. At 31 March 2006 and at 31 March 2005 these amounted to £Nil.

20 Share capital

Authorised share capital:

	2006	2005 (restated)
	£	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £1 each	<u>10,457</u>	<u>10,457</u>	<u>10,457</u>	<u>10,457</u>

21 Share premium account

There was no movement on the share premium account during the financial year.

22 Profit and loss account

	2006	2005 (restated)
	£	£
Balance brought forward	3,169,160	2,822,945
Profit for the financial year	525,855	346,215
Equity dividends paid	(11,704)	—
Balance carried forward	<u>3,683,311</u>	<u>3,169,160</u>

23 Reconciliation of movements in shareholders' funds

	2006	2005 (restated)
	£	£
Profit for the financial year	525,855	346,215
Equity dividends paid	(11,704)	—
Net addition to shareholders' funds	<u>514,151</u>	<u>346,215</u>
Opening shareholders' funds	<u>3,222,497</u>	<u>2,876,282</u>
Closing shareholders' funds	<u>3,736,648</u>	<u>3,222,497</u>

24 Notes to the statement of cash flows

Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2006	2005 (restated)
	£	£
Operating profit	911,918	637,228
Depreciation	604,616	634,953
Loss/(Profit) on disposal of fixed assets	335	(6,300)
(Increase)/decrease in stocks	(24,771)	81,398
Decrease/(increase) in debtors	444,907	(3,036,377)
(Decrease)/increase in creditors	(193,273)	234,445
Net cash inflow/(outflow) from operating activities	<u>1,743,732</u>	<u>(1,454,653)</u>

Reconciliation of net cash flow to movement in net debt

	2006	2005 (restated)
	£	£
Increase/(decrease) in cash in the period	600,993	(1,002,755)
Net cash outflow from/(inflow) from bank loans	46,361	(974,900)
Cash outflow in respect of finance leases and hire purchase	56,019	48,587
Net cash (inflow) from other long-term creditors	(7,833)	(227,167)
	<u>695,540</u>	<u>(2,156,235)</u>
Change in net debt	695,540	(2,156,235)
Net debt at 1 April 2005	(3,283,148)	(1,127,413)
Net debt at 31 March 2006	<u>(2,587,608)</u>	<u>(3,283,148)</u>

Analysis of changes in net debt

	At 1 Apr 2005 £	Cash flows £	At 31 Mar 2006 £
Net cash:			
Overdrafts	(1,957,947)	600,993	(1,356,954)
Debt:			
Debt due within 1 year	(129,786)	(177,326)	(307,112)
Debt due after 1 year	(1,097,381)	215,854	(881,527)
Finance leases and hire purchase agreements	(98,034)	56,019	(42,015)
	<u>(1,325,201)</u>	<u>94,547</u>	<u>(1,230,654)</u>
Net debt	<u>(3,283,148)</u>	<u>695,540</u>	<u>(2,587,608)</u>

25 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £Nil (2005 - £274,350).

26 Ultimate parent undertaking

The ultimate parent undertaking is Alembic Foods Limited a company registered in England and Wales.

27 Related party transactions

During the year the following transactions took place with the entities detailed below:

	Connection	Amount of transaction £	Amount outstanding at 31 March 2006 £	Nature of transaction
Durrington Corporation Limited	Directors	58,663	–	Management and company secretarial fees

J M StJ Harris is a director and shareholder in Durrington Corporation Limited.

As at 31 March 2006 and 31 March 2005 the company had advanced monies to its parent undertaking Alembic Foods Limited in the sum of £2,887,000 (2005: £2,887,000).

Included in other creditors is a loan from D Simmons of £235,000 (2005: £235,000). D Simmons is the wife of one of the directors, A Simmons. The loan on which interest is to be paid at 5% over the company's bankers base rate per annum, is to be repaid by equal monthly instalments commencing on 31 December 2005. The interest charge for the year was £22,636 (2005: £6,026).

During the year, S M Watkins a director of the company purchased a motor vehicle from the company at its net book value of £2,616.