

Alembic Products Limited

Financial statements

For the year ended 31 March 2007

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 LLP 1 Dale Street Liverpool L2 2ET
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 1st Floor Royal Liver Building Liverpool L3 1PS

Index

Report of the directors	3 - 4
Report of the independent auditor	5 - 6
Principal accounting policies	7 - 8
Profit and loss account	9
Balance sheet	10
Cash flow statement	11
Other primary statements	12
Notes to the financial statements	13 - 21

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2007

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 11.2% during the year whilst operating costs increased by 7.0%, resulting in an increase in operating profit of 20%. Profit after taxation for the year was £645,716, compared to £525,855 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 £645,716. Particulars of dividends paid are detailed in note 8 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.

Directors

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

A Simmons
J M StJ Harris
A V Brown
G C Hughes
S P Tasker
K D Duncan
M A Brooks
S M Watkins

Directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom 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 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

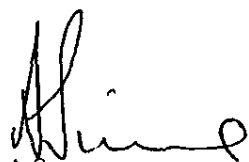
In so far as the directors are aware

- 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 Simmons

Director

19 July 2007

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 2007 which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement and notes 1 to 25. 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 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. We also report to you whether in our opinion the information given in the Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

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.

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.

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

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 2007 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

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LIVERPOOL

19 July 2007

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

The accounting policies of the company have remained unchanged and are set out below

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

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% - 25% straight line
Fixtures & Fittings	- 12.5% - 20% straight line
Motor Vehicles	- 25% straight line
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.

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

Profit and loss account

	Note	2007 £	2006 £
Turnover	1	25,440,742	22,885,737
Cost of sales		20,843,143	18,703,903
Gross profit		4,597,599	4,181,834
Other operating charges	2	3,498,773	3,269,916
Operating profit	3	1,098,826	911,918
Interest payable	6	158,135	187,588
Profit on ordinary activities before taxation		940,691	724,330
Tax on profit on ordinary activities	7	294,975	198,475
Profit for the financial year	20	645,716	525,855

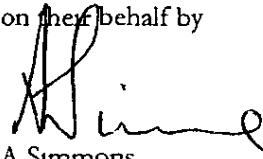
All of the activities of the company are classed as continuing


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

Balance sheet

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	9	<u>2,746,188</u>	<u>2,914,805</u>
Current assets			
Stocks	10	999,963	1,023,958
Debtors	11	<u>6,034,167</u>	<u>5,702,333</u>
		7,034,130	6,726,291
Creditors: amounts falling due within one year	12	<u>5,175,693</u>	<u>4,751,421</u>
Net current assets		<u>1,858,437</u>	<u>1,974,870</u>
Total assets less current liabilities		<u>4,604,625</u>	<u>4,889,675</u>
Creditors: amounts falling due after more than one year	13	–	881,527
		<u>4,604,625</u>	<u>4,008,148</u>
Provisions for liabilities			
Deferred taxation	15	<u>265,411</u>	<u>271,500</u>
		<u>4,339,214</u>	<u>3,736,648</u>
Capital and reserves			
Called-up equity share capital	18	10,457	10,457
Share premium account	19	42,880	42,880
Profit and loss account	20	<u>4,285,877</u>	<u>3,683,311</u>
Shareholders' funds	21	<u>4,339,214</u>	<u>3,736,648</u>

These financial statements were approved by the directors on
on their behalf by


A Simmons
Director

19 July 2007 and are signed

A V Brown
Director

Cash flow statement

	Note	2007 £	2006 £
Net cash inflow from operating activities	22	1,853,813	1,743,732
Returns on investments and servicing of finance			
Interest paid		(149,506)	(176,149)
Interest element of finance leases and hire purchase		(8,629)	(11,439)
Net cash outflow from returns on investments and servicing of finance		(158,135)	(187,588)
Taxation		(184,374)	(186,422)
Capital expenditure			
Payments to acquire tangible fixed assets		(516,326)	(673,395)
Receipts from sale of fixed assets		8,126	10,917
Net cash outflow from capital expenditure		(508,200)	(662,478)
Equity dividends paid		(43,150)	(11,704)
Cash inflow before financing		959,954	695,540
Financing			
Repayment of bank loans		(807,003)	(46,361)
Capital element of finance leases and hire purchase		(42,015)	(56,019)
Net (outflow)/inflow from other long-term creditors		(23,500)	7,833
Net cash outflow from financing		(872,518)	(94,547)
Increase in cash	22	87,436	600,993

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

Other primary statements

Statement of total recognised gains and losses

	2007	2006
	£	£
Profit for the financial year	645,716	525,855
Total recognised gains and losses for the year	<u>645,716</u>	<u>525,855</u>
Prior year adjustment	–	11,704
Total gains and losses recognised since the last financial statements	<u>645,716</u>	<u>537,559</u>

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

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

	2007 £	2006 £
United Kingdom	<u>25,440,742</u>	<u>22,885,737</u>

2 Other operating charges

	2007 £	2006 £
Administrative expenses	<u>3,498,773</u>	<u>3,269,916</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	2007 £	2006 £
Operating lease rentals	338,286	313,898
Depreciation of owned fixed assets	680,850	542,945
Depreciation of assets held under finance leases and hire purchase agreements	—	61,671
(Profit)/Loss on disposal of fixed assets	(4,033)	335
Auditor's remuneration		
Audit fees	<u>13,995</u>	<u>14,380</u>

4 Directors and employees

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

	2007 No	2006 No
Number of production staff	129	119
Number of selling and distribution staff	11	11
Number of administration and management staff	23	23
Number of technical and development staff	17	17
	<u>180</u>	<u>170</u>

The aggregate payroll costs of the above were

	2007 £	2006 £
Wages and salaries	3,419,992	3,173,415
Social security costs	309,271	269,591
	<u>3,729,263</u>	<u>3,443,006</u>

5 Directors

Remuneration in respect of directors was as follows

	2007 £	2006 £
Emoluments receivable	<u>430,229</u>	<u>443,110</u>

Emoluments of highest paid director

	2007 £	2006 £
Total emoluments (excluding pension contributions)	<u>76,649</u>	<u>87,565</u>

No directors paid any pension contributions during the year

6 Interest payable

	2007 £	2006 £
Interest payable on bank borrowing	46,141	86,079
Finance charges	8,629	11,439
Other similar charges payable	103,365	90,070
	<u>158,135</u>	<u>187,588</u>

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2007 £	2006 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2006 - 30%)	308,243	191,553
Under/(over) provision in prior year	(7,179)	422
Total current tax	<u>301,064</u>	<u>191,975</u>
Deferred tax		
Origination and reversal of timing differences	(6,089)	6,500
Tax on profit on ordinary activities	<u>294,975</u>	<u>198,475</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>940,691</u>	<u>724,330</u>
Profit on ordinary activities at 30% (2006 - 30%)	282,207	217,299
Expenses not deductible for tax purposes	8,016	5,412
Excess of depreciation over capital allowances for the year	29,924	(6,500)
Marginal relief	(11,904)	(24,658)
Adjustments to tax charge in respect of prior periods	(7,179)	422
Total current tax (note 7(a))	<u>301,064</u>	<u>191,975</u>

8 Dividends

Dividends on shares classed as equity

	2007 £	2006 £
Paid during the year		
Dividend paid on ordinary shares @ £4 13 (2006 £1 12) per share	<u>43,150</u>	<u>11,704</u>

A dividend has been paid on 31 May 2007 of £4 13 per share. This has not been recognised as a liability at 31 March 2007

9 Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 April 2006	5,667,369	1,511,212	92,969	500,689	7,772,239
Additions	441,870	1,692	27,995	44,769	516,326
Disposals	—	—	(27,110)	(2,189)	(29,299)
At 31 March 2007	<u>6,109,239</u>	<u>1,512,904</u>	<u>93,854</u>	<u>543,269</u>	<u>8,259,266</u>
Depreciation					
At 1 April 2006	3,245,798	1,099,676	62,062	449,898	4,857,434
Charge for the year	510,933	130,962	17,540	21,415	680,850
On disposals	—	—	(25,206)	—	(25,206)
At 31 March 2007	<u>3,756,731</u>	<u>1,230,638</u>	<u>54,396</u>	<u>471,313</u>	<u>5,513,078</u>
Net book value					
At 31 March 2007	<u>2,352,508</u>	<u>282,266</u>	<u>39,458</u>	<u>71,956</u>	<u>2,746,188</u>
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>

Included within the net book value of £2,746,188 is £Nil (2006 - £80,835) 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 £Nil (2006 - £61,671).

10 Stocks

	2007 £	2006 £
Raw materials	474,667	568,686
Finished goods	525,296	455,272
	<u>999,963</u>	<u>1,023,958</u>

11 Debtors

	2007 £	2006 £
Trade debtors	2,969,255	2,625,193
Amounts owed by group undertakings	2,887,000	2,887,000
Other debtors	123,550	112,745
Prepayments and accrued income	54,362	77,395
	<u>6,034,167</u>	<u>5,702,333</u>

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

12 Creditors: amounts falling due within one year

	2007	2006
	£	£
Bank loan and overdraft	1,416,154	1,664,066
Trade creditors	2,647,227	2,414,419
Corporation tax	308,243	191,553
Other taxation and social security	90,393	83,961
Amounts due under finance leases and hire purchase agreements	-	42,015
Other creditors	599,657	176,456
Accruals and deferred income	114,019	178,951
	<u>5,175,693</u>	<u>4,751,421</u>

13 Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Bank loan	-	646,527
Other creditors	-	235,000
	<u>-</u>	<u>881,527</u>

Bank loan

The bank loan and overdraft of £1,416,154 (2006 £2,310,593) are secured by a debenture over the company's assets and an unlimited guarantee from the company's parent undertaking. The bank loan has been repaid in full by 8 June 2007.

Borrowings are repayable as follows

	2007	2006
	£	£
Within one year		
Bank and other borrowings	1,416,154	1,664,066
Finance leases	-	42,015
Other creditors	211,500	-
After one and within two years		
Bank and other borrowings	-	221,422
After two and within five years		
Bank and other borrowings	-	425,105
Other creditors	-	235,000

14 Commitments under finance leases and hire purchase agreements

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

	2007	2006
	£	£
Amounts payable within 1 year	-	42,015
	<u>-</u>	<u>42,015</u>

15 Deferred taxation

The movement in the deferred taxation provision during the year was

	2007	2006
	£	£
Provision brought forward	271,500	265,000
Profit and loss account movement arising during the year	(6,089)	6,500
Provision carried forward	<u>265,411</u>	<u>271,500</u>

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

	2007	2006
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>265,411</u>	<u>271,500</u>

16 Leasing commitments

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as set out below

	2007		2006	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire				
Within 1 year	-	7,123	-	-
Within 2 to 5 years	-	80,515	-	69,438
After more than 5 years	268,712	28,718	245,416	-
	<u>268,712</u>	<u>116,356</u>	<u>245,416</u>	<u>69,438</u>

17 Contingent liabilities

At 31 March 2007 and at 31 March 2006 the company has guaranteed the bank liabilities of its parent undertaking Alembic Foods Limited. At 31 March 2007 and at 31 March 2006 these amounted to £nil.

At 31 March 2007 the company had commitments to purchase raw materials totalling £6,196,181.

18 Share capital

Authorised share capital

	2007	2006
	£	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>10,457</u>	<u>10,457</u>	<u>10,457</u>	<u>10,457</u>

19 Share premium account

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

20 Profit and loss account

	2007	2006
	£	£
Balance brought forward	3,683,311	3,169,160
Profit for the financial year	645,716	525,855
Equity dividends paid	(43,150)	(11,704)
Balance carried forward	<u>4,285,877</u>	<u>3,683,311</u>

21 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Profit for the financial year	645,716	525,855
Equity dividends paid	(43,150)	(11,704)
Net addition to shareholders' funds	602,566	514,151
Opening shareholders' funds	3,736,648	3,222,497
Closing shareholders' funds	<u>4,339,214</u>	<u>3,736,648</u>

22 Notes to the statement of cash flows

Reconciliation of operating profit to net cash inflow from operating activities

	2007	2006
	£	£
Operating profit	1,098,826	911,918
Depreciation	680,850	604,616
(Profit)/Loss on disposal of fixed assets	(4,033)	335
Decrease/(increase) in stocks	23,995	(24,771)
(Increase)/decrease in debtors	(331,834)	444,907
Increase/(decrease) in creditors	386,009	(193,273)
Net cash inflow from operating activities	<u>1,853,813</u>	<u>1,743,732</u>

22 Notes to the statement of cash flows (continued)

Reconciliation of net cash flow to movement in net debt

	2007 £	2006 £
Increase in cash in the period	87,436	600,993
Net cash outflow from bank loans	807,003	46,361
Cash outflow in respect of finance leases and hire purchase	42,015	56,019
Net cash outflow from/(inflow) from other long-term creditors	23,500	(7,833)
	<u>959,954</u>	<u>695,540</u>
Change in net debt	959,954	695,540
Net debt at 1 April 2006	(2,587,608)	(3,283,148)
Net debt at 31 March 2007	<u>(1,627,654)</u>	<u>(2,587,608)</u>

Analysis of changes in net debt

	At 1 Apr 2006 £	Cash flows £	At 31 Mar 2007 £
Net cash			
Overdrafts	(1,356,954)	87,436	(1,269,518)
Debt			
Debt due within 1 year	(307,112)	(51,024)	(358,136)
Debt due after 1 year	(881,527)	881,527	—
Finance leases and hire purchase agreements	(42,015)	42,015	—
	<u>(1,230,654)</u>	<u>872,518</u>	<u>(358,136)</u>
Net debt	<u>(2,587,608)</u>	<u>959,954</u>	<u>(1,627,654)</u>

23 Capital commitments

There were no capital commitments as at 31 March 2007 or 31 March 2006

24 Parent undertaking

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

25 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 2007 £	Nature of transaction
Durrington Corporation Limited	Directors	109,306	-	Management and company secretarial fees

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

As at 31 March 2007 and 31 March 2006 the company had advanced monies to its parent undertaking Alembic Foods Limited in the sum of £2,887,000

Included in other creditors is a loan from D Simmons of £211,500 (2006 £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 £22,544 (2006 £22,636)

Management information

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 5 to 6**

Profit and loss account

	2007 £	2006 £
Turnover		
Emulsion sales	24,883,293	22,072,906
Ingredient sales	557,449	812,656
Other sales	—	175
	<u>25,440,742</u>	<u>22,885,737</u>
Cost of sales		
Movement in stock	23,995	(24,771)
Purchases	17,900,310	16,074,059
Direct wages	2,258,549	2,052,913
National insurance contributions on direct labour	193,840	158,351
Energy	214,114	173,709
Effluent costs	122,324	143,190
Cleaning materials	100,327	96,156
Water rates	29,684	30,296
	<u>20,843,143</u>	<u>18,703,903</u>
Gross profit	4,597,599	4,181,834
Overheads		
Administrative expenses	3,498,773	3,269,916
Operating profit	<u>1,098,826</u>	<u>911,918</u>
Interest payable and similar charges	(158,135)	(187,588)
Profit on ordinary activities	<u>940,691</u>	<u>724,330</u>

Notes to the detailed profit and loss account

	2007 £	2006 £
Administrative expenses		
Personnel costs		
Wages and salaries	1,161,443	1,120,502
Employers national insurance contributions	115,431	111,240
	<u>1,276,874</u>	<u>1,231,742</u>
Establishment expenses		
Rent and rates	312,837	306,191
Insurance	127,946	131,749
Repairs and maintenance	298,954	273,554
Leasing costs	89,385	68,482
	<u>829,122</u>	<u>779,976</u>
General expenses		
Motor expenses	94,937	97,070
Telephone	32,367	27,196
Hire of equipment	5,811	5,312
Printing, stationery and postage	30,398	29,849
Couriers	42,135	35,320
Recruitment and staff training	45,202	41,539
Staff welfare	58,672	65,550
Laundry and cleaning	24,492	25,447
General expenses	676	4
Protective clothing	23,953	19,265
Pest control	4,389	4,858
Product analysis	102,591	118,633
Consultancy	49,149	43,877
Advertising	11,951	3,819
Subscriptions	11,988	8,244
Management fees	109,306	58,663
Legal and professional fees	23,140	8,857
Accountancy fees	1,190	15,915
Auditors remuneration	13,995	14,380
Depreciation of plant and machinery	510,933	414,569
Depreciation of fixtures and fittings	130,962	149,738
Depreciation of motor vehicles	17,540	23,239
Depreciation of office equipment	21,415	17,070
(Profit)/Loss on disposal of fixed assets	(4,033)	335
	<u>1,363,159</u>	<u>1,228,749</u>
Financial costs		
Bank and invoice discounting administration charges	29,618	29,449
	<u>3,498,773</u>	<u>3,269,916</u>

	2007	2006
	£	£
Interest payable and similar charges		
Bank loan interest payable	42,713	79,914
Bank interest payable	3,428	6,165
Hire purchase and finance lease charges	8,629	11,439
Interest on invoice discounting	80,821	67,434
Other interest	22,544	22,636
	<u>158,135</u>	<u>187,588</u>