

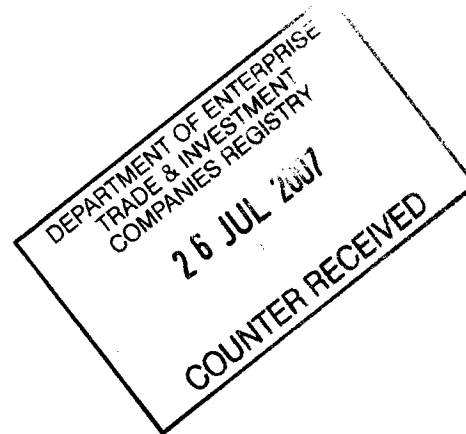


00371944

A H Foods Limited

Abbreviated Financial Statements

30 September 2006



A H Foods Limited

Registered No: NE00582

Directors

M A Moreland
P J Burnett
J McGurk
P A Rothwell

Secretary

B D McAuley

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Bankers

Bank of Ireland
Donegall House
7 Donegall Square North
Belfast
BT1 5LU

Solicitors

Carson McDowell
Murray House
Murray Street
Belfast
BT1 6HS

Registered office

Belfast Mills
71/75 Percy Street
Belfast
BT13 2HW

Directors' report

The directors present their report and abbreviated financial statements for the year ended 30 September 2006.

Results and dividends

The profit for the year, after taxation, amounted to £187,920 (2005: profit of £1,124,598 restated). No interim dividend was paid during the year (2005 - £1,000,000).

Principal activities and review of the business

The principal activity of the company during the period was the milling of flour.

Financial performance

The directors have determined that the following financial key performance indicators ("KPI"s), are the most effective measures of progress towards achieving the company's objectives.

<i>KPIs</i>	<i>2006</i>	<i>Restated</i>
	<i>2005</i>	
	<i>£</i>	<i>£</i>
Profit on ordinary activities before taxation ("PBT")	275,148	1,131,498

Turnover has increased during the year as a result of the company attaining record levels of sales tonnage. However, this increase has been offset by ever-increasing raw material costs, and to a lesser extent, escalating power related costs.

Risk Management

The company's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The key risks which management face are detailed as follows:

Business performance risk

Business performance risk is the risk that the company may not perform as expected either due to internal factors or due to competitive pressures in the markets in which it operates. This risk is managed through a number of measures: authorisation of forward purchases of raw material requirement; ensuring the appropriate management team is in place; budget and business planning; monthly reporting and variance analysis; financial controls; key performance indicators; and regular forecasting.

Business continuity risk

Although the company operates out of one production facility the company takes all relevant steps which helps it to minimise the business continuity risk. The company ensures that there is sufficient IT support available should an unforeseen event occur. Management are continually implementing and reviewing business continuity and IT disaster recovery plans to ensure any increase in risk arising from future activities is managed.

Health and safety risk

The company is committed to ensuring a safe working environment. These risks are managed by the company through the strong promotion of a health and safety culture and well defined health and safety policies.

Management development

Senior management is committed to ensuring the long term growth of the business and aims to achieve this by ensuring it retains and attracts high quality personnel.

Financial and business control

Strong financial and business controls are necessary to ensure the integrity and reliability of financial and other information on which the company relies for day-to-day operations, external reporting and for longer term planning. The company exercises financial and business control through a combination of: qualified and

Directors' report

experienced financial personnel; performance analysis; budgeting and cash flow forecasting; and clearly defined approval limits.

Social, ethical and environmental risk

Due to the company's nature and size no significant social, ethical or environmental risks have been identified by management.

Financial Risk Management Policy

The company's principal financial instruments comprise cash, trade debtors and creditors, group indebtedness and certain other debtors and accruals. The main risks associated with these financial assets and liabilities are set out below.

Foreign currency risk

The company's exposure to foreign currency risk comprises both revenues received from customers and expenditure to suppliers; both revenues and expenditures can be denominated in Euro while a US Dollar exposure exists in respect of supplier expenditure. The company has a policy of matching these amounts and in the event of any material unmatched exposure, the company manages the risk by considering entering into a foreign currency contract.

Credit risk

Credit risk arises principally on 3rd party derived revenues. Company policy is aimed at minimising such risk through the application of satisfactory creditworthiness procedures and monitoring the levels of credit to individual customers within their approved credit limits, so as to ensure the company's exposure to bad debts is minimised.

Liquidity risk

The company's liquidity risk is managed by the company's senior finance management through daily assessment of required cash levels and resultant utilisation of various available bank facilities. The directors believe that the bank facilities in place are more than adequate for the future needs of the company.

Directors

The directors at 30 September 2006 are listed on page 1.


Fixed assets

The movement in tangible fixed assets during the year is as shown in note 6.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



Secretary

Statement of directors' responsibilities in respect of the financial statements

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

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;
- state whether applicable 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. 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.

Independent auditors' report

to the members of AH Foods Limited under Article 255b of the Companies (Northern Ireland) Order 1986

We have examined the company's abbreviated accounts for the year ended 30 September 2006, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 16, which have been prepared in accordance with applicable United Kingdom law, together with the company's financial statements for the year ended 30 September 2006 prepared under Article 234 of the Companies (Northern Ireland) Order 1986.

This report is made solely to the company in accordance with Article 255B of the Companies (Northern Ireland) Order 1986. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in auditors' 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

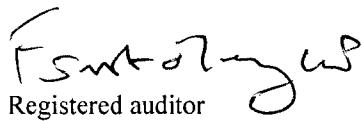
The directors are responsible for the preparation of the financial statements in accordance with Article 254A of the Companies (Northern Ireland) Order 1986. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Article 254A(3) of the Order to the registrar of companies and whether the abbreviated accounts to be delivered have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We conducted our audit in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Article 254A (3) of the Companies (Northern Ireland) Order 1986 and the abbreviated accounts have been properly prepared in accordance with that provision.


Registered auditor
Belfast

4 July 2007

Abbreviated profit and loss account

for the year ended 30 September 2006

	Notes	2006 £	Restated 2005 £
Gross profit		1,349,750	1,702,156
Distribution costs		175,203	214,081
Administrative expenses		835,221	70,016
Operating profit	2	339,326	1,418,059
Interest payable and similar charges	4	(64,178)	(286,561)
Profit on ordinary activities before taxation		275,148	1,131,498
Tax on profit on ordinary activities	5	(87,228)	(6,900)
Profit on ordinary activities after taxation		187,920	1,124,598

Statement of total recognised gains and losses

for the year ended 30 September 2006

	2006 £	Restated 2005 £
Profit for the financial year	187,920	1,124,598
Net actuarial gains recognised in respect of pension scheme	1,143,000	1,233,000
Deferred tax charge arising on net actuarial gains	(343,000)	(370,000)
Total recognised gains and losses relating to the year	987,920	1,987,598
Prior year adjustment (note 15)	(5,782,000)	
Total recognised gains and losses relating to the year	(4,794,080)	

Abbreviated balance sheet

As at 30 September 2006

	Notes	2006 £	Restated 2005 £
Fixed assets			
Tangible assets	6	2,603,398	2,695,636
Current assets			
Stocks	7	852,513	1,073,398
Debtors	8	4,514,133	4,971,012
Cash at bank		18,768	14,117
		5,385,414	6,058,527
Creditors: amounts falling due within one year	9	2,329,727	3,068,050
		3,055,687	2,990,477
Net current assets			
		5,659,085	5,686,113
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	10	102,065	167,341
Provisions for liabilities and charges			
Deferred taxation	5	45,228	30,000
		5,511,792	5,488,772
Net assets excluding pension liability			
Pension liability		(3,908,000)	(4,873,000)
		1,603,792	615,772
Net assets including pension liability			
Capital and reserves			
Called up share capital	14	1,026,750	1,026,750
Revaluation reserve	15	1,906,902	1,906,902
Profit and loss account	15	(1,329,860)	(2,317,880)
		1,603,792	615,772
Equity shareholders' funds	15		

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VIII of the Companies (Northern Ireland) Order 1986 relating to medium sized companies.



Directors



Notes to the abbreviated financial statements

at 30 September 2006

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

In preparing the financial statements for the current year, the directors have fully adopted Financial Reporting Standard No 17 'Retirement Benefits' ("FRS 17").

The adoption of FRS 17 has resulted in a change in accounting policy as regards pensions accounting. Under the previous accounting standard (SSAP 24 "Accounting for pension costs") the Company's and Group's pensions costs were charged to the profit and loss account so as to spread the cost of pensions over the employees' estimated working lives, with variations from the regular cost spread over the average remaining service lives of current employees.

The accounting policy adopted under FRS 17 is described below. The change in accounting policy has resulted in a prior year adjustment and is detailed within note 13.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Related party transactions

The company has taken advantage of the exemption in FRS 8 'Related Party Transactions' from disclosing transactions with related parties which are group companies.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Plant and Equipment	5 - 10 years
Motor vehicles	4 - 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost on a first in first out basis and net realisable value, after making due allowance for any obsolete or slow moving items. In the case of finished goods cost comprises direct materials and labour plus an appropriate proportion of manufacturing fixed and variable overheads.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. The timing differences arise from the different treatment for financial statements and tax purposes of transactions and events recognised in the financial statements of the current year and previous years. Deferred tax is not provided in respect of timing differences arising from the sale of fixed assets unless, by the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will be rolled over.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discount basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Notes to the abbreviated financial statements

at 30 September 2006

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

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.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease rentals

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

In respect of the Group's defined benefit schemes, the expected cost of providing pensions is determined using the projected unit method as calculated periodically by professionally qualified actuaries, with the surplus or deficit recognised in the balance sheet. Changes in the actuarial valuation other than those arising from actuarial gains and losses are recognised in the profit and loss account. Changes arising from actuarial gains and losses are recognised in the Statement of Recognised Gains and Losses.

Retirement benefits to employees in the Group are provided by a defined contribution pension scheme, whereby the assets of the scheme are held separately from those of the Group in an independently administered fund.

2. Operating profit

This is stated after charging:

	2006 £	Restated 2005 £
Auditors' remuneration - audit services	10,625	8,000
- non-audit services	-	-
Directors' emoluments	36,460	-
Depreciation of owned fixed assets	127,976	120,455
Depreciation of assets held under finance leases	57,528	57,527
	<u>185,504</u>	<u>177,982</u>

Notes to the abbreviated financial statements

at 30 September 2006

3. Staff costs

	2006 £	2005 £
Wages and salaries	1,012,539	1,007,880
Social security costs	109,523	110,357
Other pension costs (note 12)	41,130	39,641
	<u>1,163,192</u>	<u>1,157,878</u>

The monthly average number of employees during the year was as follows:

	2006 No.	2005 No.
Operations	32	31
Administration	6	6
	<u>38</u>	<u>37</u>

4. Interest payable and similar charges

	2006 £	Restated 2005 £
Bank interest payable	69,178	34,561
Net interest on pension liability	(5,000)	271,000
	<u>64,178</u>	<u>305,561</u>

Notes to the abbreviated financial statements

at 30 September 2006

5. Taxation on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2006 £	Restated 2005 £
<i>Current tax:</i>		
UK corporation tax	-	-
Tax under provided in previous years	-	-
Total current tax (note 5(b))	-	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences	83,354	36,900
Adjustments in respect of previous periods	3,874	(30,000)
Tax on profit on ordinary activities	<u>87,228</u>	<u>6,900</u>

(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%). The differences are reconciled below:

	2006 £	Restated 2005 £
Profit on ordinary activities before taxation	<u>275,248</u>	<u>1,131,498</u>
Profit on ordinary activities multiplied by standard UK rate of tax	82,574	339,449
Disallowed expenses and non-taxable income	180	62
Accelerated capital allowances	(9,382)	(22,688)
Short term timing differences	(5,571)	4,508
Losses carried forward	3,599	-
Retirement benefits	(71,400)	(19,500)
Losses surrendered for no payment	-	(301,831)
Total current tax (note 5(a))	<u>-</u>	<u>-</u>

(c) Deferred tax

	2006 £	Restated 2005 £
Capital allowances in advance of depreciation	55,001	48,000
Other timing differences	(6,174)	(18,000)
Losses	(3,599)	-
Provision for deferred taxation	<u>45,228</u>	<u>30,000</u>

£

At 30 September 2005	(30,000)
Profit and loss account movement arising during the year	(15,228)
At 30 September 2006	<u>(45,228)</u>

Notes to the abbreviated financial statements

at 30 September 2006

6. Tangible fixed assets

	<i>Freehold Property</i> £	<i>Plant vehicles and equipment</i> £	<i>Total</i> £
Cost or valuation:			
At 30 September 2005	2,142,918	2,567,449	4,710,367
Additions	-	93,266	93,266
Disposals	-	(6,710)	(6,710)
At 30 September 2006	<u>2,142,918</u>	<u>2,654,005</u>	<u>4,796,923</u>
Depreciation:			
At 30 September 2005	83,064	1,931,667	2,014,731
Provided during the year	8,005	177,499	185,504
Disposals	-	(6,710)	(6,710)
At 30 September 2006	<u>91,069</u>	<u>2,102,456</u>	<u>2,193,525</u>
Net book value:			
At 30 September 2006	<u>2,051,849</u>	<u>551,549</u>	<u>2,603,398</u>
At 30 September 2005	<u>2,059,854</u>	<u>635,782</u>	<u>2,695,636</u>

The net book value of plant, vehicles and equipment above includes an amount of £267,195 (2005 - £324,722) in respect of assets held under finance leases and hire purchase contracts.

As at 28 February 2002 certain of the company's freehold land and buildings were valued at £750,000 on the basis of existing use. As at the same date freehold land adjoining this site was valued at £1,280,000 on the basis of its open market value.

On the historical cost basis, these revalued assets would have been included as follows:

	<i>Long leasehold land and buildings</i> £	<i>Freehold land and buildings</i> £
Cost:		
At 1 October 2005 and 30 September 2006	<u>151,579</u>	<u>195,697</u>
Cumulative depreciation based on cost:		
At 1 October 2005 and 30 September 2006	<u>41,725</u>	<u>74,904</u>

Notes to the abbreviated financial statements

at 30 September 2006

7. Stocks

	2006 £	2005 £
Raw materials	769,413	964,171
Finished goods	83,100	109,227
	<u>852,513</u>	<u>1,073,398</u>

8. Debtors

	2006 £	2005 £
Trade debtors	1,474,466	1,273,294
Amounts owed by group undertakings	1,384,810	1,839,635
Other debtors	953,401	996,856
Prepayments and accrued income	701,456	861,227
	<u>4,514,133</u>	<u>4,971,012</u>

9. Creditors: amounts falling due within one year

	2006 £	2005 £
Bank overdraft	1,378,017	572,241
Obligations under finance leases (note 11)	65,275	64,170
Trade creditors	554,849	1,130,155
Amounts owed to group undertakings	-	1,094,306
Other taxation and social security	34,741	31,193
Other creditors	171,783	73,650
Accruals and deferred income	125,062	102,335
Corporation tax	-	-
	<u>2,329,727</u>	<u>3,068,050</u>

The overdraft facility is secured by way of a fixed and floating charge over the assets and undertakings of the company. In addition, borrowings of the company's ultimate parent undertaking, Andrews Holdings Limited, are also secured by the same fixed and floating charge, together with a letter of guarantee from the company.

10. Creditors: amounts falling due after more than one year

	2006 £	2005 £
Obligations under finance leases (note 11)	102,065	167,341

Notes to the abbreviated financial statements

at 30 September 2006

11. Obligations under finance leases

The maturity of these amounts is as follows:

	2006 £	2005 £
Amounts payable:		
Finance leases are analysed as follows:		
Current obligations (note 9)	65,275	64,170
Non-current obligations (note 10)	102,065	167,341
	<u>167,340</u>	<u>231,511</u>

12. Pensions

The company and group operates two funded pension schemes, the Andrews Holdings Group Pension Scheme (the "Andrews Scheme") and the Wilson's Feeds Limited Pension Scheme (the "Wilson's Scheme"). The Andrews Scheme has two sections, a defined benefits section that has been closed to future accrual of benefits from 1 November 1998 and a defined contribution section established from that date. The Wilson's Scheme commenced on 1 February 2001 and received a bulk transfer of assets and liabilities from the AH Feeds Stanplan F on 1 October 2002, no further benefits have accrued since 30 June 2002. Assets for both schemes are held in separate Trustee administered funds.

The Company also operates a defined contribution pension scheme, The Andrews Holdings Group Pension Scheme, the assets of which are held in a separate trustee-administered fund.

FRS 17 Implementation

The Company is required to comply fully with FRS 17 in its current year financial statements, for the year ended 30 September 2006. This has led to the net pension deficit calculated by the independent qualified actuaries being included in the balance sheet at this date. The deficit has been retrospectively included in reserves in the form of a prior year adjustment to opening reserves on 1 October 2004, as shown in note 15.

Prior year adjustments

The prior year adjustments are split with some adjustments affecting the reserves as of 1 October 2004, with the remainder affecting the reserves as of 1 October 2005. The initial adjustment was the introduction of the pension deficit and the related deferred tax asset onto the balance sheet. The subsequent adjustment was made up of the profit and loss account and the Statement of Total Recognised Gains and Losses effects of the movements in the pension deficit in the two years to 30 September 2005 and 31 September 2006.

Actuarial Valuation

The valuation used for FRS 17 purposes has been based on the most recent actuarial valuations which were carried out as at 30 September 2004 for the Andrews Scheme and as at 31 October 2002 for the Wilson's Scheme. Both actuarial valuations have been updated by independent qualified actuaries to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 30 September 2006. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the scheme for FRS 17 purposes were:

(i) Financial assumptions

	30 Sept 2006 (% p.a.)	30 Sept 2005 (% p.a.)	30 Sept 2004 (% p.a.)
Inflation	2.5	2.5	2.5
Rate of deferred pension revaluation in excess of GMP	-	-	-
Rate of increase of pensions in payment:			
Prior to 6 April 1997	3.5	3.5	3.5
After 5 April 1997	3.5	3.5	3.5
Discount rate for Scheme liabilities	5.3	5.2	5.5

Notes to the abbreviated financial statements

at 30 September 2006

12. Pensions (continued)

(ii) Assets of the Scheme and the expected rates of return

	<i>Long term rate of expected return at 30 Sept 2006 (% p.a.)</i>	<i>Value at 30 Sept 2006 £</i>		<i>Long term rate of expected return at 30 Sept 2005 (% p.a.)</i>	<i>Value at 30 Sept 2005 £</i>		<i>Long term rate of expected return at 30 Sept 2004 (% p.a.)</i>	<i>Value at 30 Sept 2004 £</i>
Equities and property	7.2	22,584,000		7.1	21,639,000		7.1	18,692,000
Bonds	5.0	20,881,000		5.0	21,284,000		5.0	19,531,000
Cash and other	4.5	735,000		4.75	466,000		4.75	1,732,000
Total market value of Assets		<u>44,200,000</u>			<u>43,389,000</u>			<u>39,955,000</u>

(iii) Analysis of the amount charged to operating profit

	<i>For the year ending 30 Sept 2006 £</i>	<i>For the year ending 30 Sept 2005 £</i>
Current service cost	-	-
Past service cost	-	-
Total operating charge	<u>-</u>	<u>-</u>

(iv) Analysis of the amount charged to interest payable and similar charges

	<i>For the year ending 30 Sept 2006 £</i>	<i>For the year ending 30 Sept 2005 £</i>
Expected return on pension scheme assets	2,564,000	2,333,000
Interest on pension scheme liabilities	(2,559,000)	(2,585,000)
Net credit/(charge)	<u>5,000</u>	<u>(252,000)</u>

The above asset and liability figures exclude insured pension liability.

Notes to the abbreviated financial statements

at 30 September 2006

12. Pensions (continued)

(v) Analysis of the amount recognised in the Statement of Total Recognised Gains and Losses

	<i>For the year ending 30 Sept 2006</i>	<i>For the year ending 30 Sept 2005</i>
	£	£
Actual return less expected return on pension scheme assets	639,000	3,209,000
Experience gains and losses arising on the scheme liabilities	(93,000)	(145,000)
Changes in assumptions underlying the present value of the scheme liabilities	597,000	(1,831,000)
Actuarial gain recognised in the Statement of Total Recognised Gains and Losses	<u>1,143,000</u>	<u>1,233,000</u>

(vi) Reconciliation to balance sheet

	<i>For the year ending 30 Sept 2006</i>	<i>For the year ending 30 Sept 2005</i>	<i>For the year ending 30 Sept 2004</i>
	£	£	£
Total market value of non-insured asset	44,200,000	43,389,000	39,955,000
Assets held in respect of insured pensioners	-	-	-
Total market value of assets	<u>44,200,000</u>	<u>43,389,000</u>	<u>39,955,000</u>
Present value of non-insured scheme liabilities	(49,781,000)	(50,351,000)	(48,215,000)
Liability in respect of insured pensioners	-	-	-
Present value of scheme liabilities	<u>(49,781,000)</u>	<u>(50,351,000)</u>	<u>(48,215,000)</u>
Deficit in scheme	(5,581,000)	(6,962,000)	(8,260,000)
Related deferred tax asset (30%)	1,673,000	2,089,000	2,478,000
Net pension liability	<u>(3,908,000)</u>	<u>(4,873,000)</u>	<u>(5,782,000)</u>

Notes to the abbreviated financial statements

at 30 September 2006

12. Pensions (continued)

(vii) Analysis of movement in deficit during the year

	<i>For the year ending 30 Sept 2006</i>	<i>For the year ending 30 Sept 2005</i>
	£	£
Deficit in scheme at beginning of the year	(6,962,000)	(8,260,000)
Current service cost	-	-
Contributions	233,000	317,000
Past service costs	-	-
Net interest credited/(charged)	5,000	(252,000)
Actuarial gain	1,143,000	1,233,000
Deficit in scheme at end of the year	<u>(5,581,000)</u>	<u>(6,962,000)</u>

(viii) History of experience gains and losses

	<i>For the year ending 30 Sept 2006</i>	<i>For the year ending 30 Sept 2005</i>
Difference between expected and actual return on scheme assets:		
Amount (£)	639,000	3,209,000
Percentage of scheme assets at end of year	1%	7%
Experience gains/(losses) on scheme liabilities:		
Amount (£)	(93,000)	(145,000)
Percentage of the present value of the scheme liabilities	(0%)	(0%)
Total amount recognised in the Statement of Total Recognised Gain and Losses:		
Amount (£)	1,143,000	1,233,000
Percentage of the present value of scheme liabilities	2%	2%

The above asset and liability figures include the insured pension liability.

13. Related party transactions

At the balance sheet date an amount of £930,174 remains due to A H Foods Limited from Hotspur (NI) Limited (2005 - £930,174), a company of which Messrs M Moreland, J McGurk and P Rothwell are directors and is included in 'other debtors' (note 8).

Notes to the abbreviated financial statements

at 30 September 2006

14. Share capital

Share Capital		2006		Authorised 2005
		£		£
Ordinary shares of £1 each		1,178,250		1,178,250

		Allotted, called up and fully paid		2005
		2006	£	
	No.	£	No.	£
Ordinary shares of £1 each	1,026,750	1,026,750	1,026,750	1,026,750

15. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Revaluation reserve £	Restated Profit and loss account £	Restated Total share- holders' funds £
At 30 September 2004 (as previously reported)	1,026,750	2,226,728	2,476,522	5,730,000
Prior year adjustment	-	-	(5,782,000)	(5,782,000)
At 30 September 2004 (as restated)	<u>1,026,750</u>	<u>2,226,728</u>	<u>(3,305,478)</u>	<u>(52,000)</u>
Profit for the year	-	(319,826)	1,124,598	804,772
Net actuarial gain	-	-	1,233,000	1,233,000
Deferred taxation on actuarial gain	-	-	(370,000)	(370,000)
Dividends	-	-	(1,000,000)	(1,000,000)
At 30 September 2005	<u>1,026,750</u>	<u>1,906,902</u>	<u>(2,317,880)</u>	<u>615,772</u>
Profit for the year	-	-	187,920	187,920
Net actuarial gain	-	-	1,143,000	1,143,000
Deferred taxation on actuarial gain	-	-	(342,900)	(342,900)
At 30 September 2006	<u>1,026,750</u>	<u>1,906,902</u>	<u>(1,329,860)</u>	<u>1,603,792</u>

16. Ultimate controlling undertakings

The immediate parent undertaking is Andrews Milling Limited, a company incorporated in Northern Ireland. Its ultimate parent undertaking is Andrews Holdings Limited, a company incorporated in Northern Ireland. This is the parent undertaking of the largest group of which the company is a member and for which group accounts are prepared. Copies of its group accounts may be obtained from its registered office, Belfast Mills, 71/75 Percy Street, Belfast, BT13 2HW.