Woodward Foodservice Limited

Directors' report and financial statements

Registered number 1786682

52 weeks ended 30 March 2007

Contents

Directors' report

The Directors present their directors' report and financial statements for the 52 week period ending 30 March 2007

Principal activities

The company's principal activity is that of a holding company and the Group's principal activity is that of the wholesale and supply of frozen, chilled and ambient food to the catering industry It operates in the United Kingdom which has a market size of c£9 billion

On 5th September 2006, the Group completed the acquisition of DBC Foodservice Ltd

Strategy

During the year the Group encountered some difficulties with its trading platform and particularly its low margin National Account business This proved more costly to operate than was projected This position was compounded by the extensive integration plan associated with the acquisition of DBC Foodservice

As a result of this the Group has reported a less than satisfactory set of results for the year and in April 2007 had to commence a major restructuring programme and adjust its strategy accordingly

This was carried out with the full support of the Shareholders

Progress

As a result of the Strategic re-alignment I am pleased to report that the Group has stabilised its position and that both of the operating companies are now run and focused with specific targets and direction

Risks and Uncertainties

The principal risks and uncertainties to the business are associated with the general economic climate within the UK, and the spending habits in the discretionary spend areas of, out of home food consumption, and the cost sector channels of Health and Education These are both key to the ongoing development of this business

Key Performance Indicators (KPI's)

The group has continued to develop a suite of performance measures which are designed to monitor the businesses performance and development Key measures review the financial performance to forecasts as well as operational delivery and supply chain integrity

Results and dividends

The Company made a loss for the period of £32,794,000 *(2006 £14,127,000)* as shown on page 6 The directors do not recommend the payment of a dividend *(2006 £nil)*

Directors and directors' interests

The directors who held office during the period were
EJ Hyslop (resigned 1 June 2007)
D Howarth (resigned 1 June 2007)
CR Flowers (resigned 30 July 2007)
AE Elsby-Smith (resigned 19 December 2006)

The following directors were appointed after the balance sheet date
JA Woodward (appointed 23 May 2007)
AN Ramsden (appointed 23 May 2007)
A Aggarwal (appointed 23 May 2007)
JK Burrell (appointed 18 July 2007)
TS Dhaliwel (appointed 30 July 2007)
A Birch (appointed 8 August 2007)

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year

Directors' report *(continued)*

Employees

Communication with staff is accorded a high priority, and employees are kept informed of the Company's performance and activities through regular briefings and staff newspapers They are also given the opportunity to communicate their ideas and opinions to all levels of management both directly and through attitude surveys

The Company is committed to ensuring genuine equality of opportunity for all employees, regardless of sex, colour, race, religion, ethnic origin or disability Recruitment, training and development policies reflect this commitment In the event of an employee becoming disabled, every effort is made to continue their employment and, having true regard to their aptitude and abilities, opportunities are given for their retaining or redevelopment wherever possible

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 he ought to have taken as a director to make himself aware of any relevant 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

AN Ramsden
Director

Parkway
Deeside Industrial Park
Chester
CH5 2NS
20th December 2007

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 judgements 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

KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the members of Woodward Foodservice Limited

We have audited the financial statements of Woodward Foodservice Limited for the 52 week period ended 30 March 2007 which comprise the Profit and Loss account, the Balance Sheet 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 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

Independent auditors' report to the members of Woodward Foodservice 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 30 March 2007 and of the loss for the 52 week period then ended, and
- 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

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

20 December 2007

Profit and loss account

for the 52 weeks ended 30 March 2007

	Note	£000	52 weeks ended 30 March 2007 £000	£000	52 weeks ended 31 March 2006 £000
Turnover			**186,594**		163,623
Cost of sales before exceptional items		**(159,339)**		(124,782)	
Exceptional items	*4*	**777**		(1,246)	
Cost of sales			**(158,562)**		(126,028)
Gross profit			**28,032**		37,595
Distribution Costs			**(41,057)**		(39,935)
Administrative expenses before exceptional items		**(10,718)**		(9,742)	
Exceptional administrative expenses	*4*	**(6,918)**		(1,916)	
Administrative expenses			**(17,636)**		(11,658)
Operating loss			**(30,661)**		(13,998)
Profit on disposal of fixed assets	*5*		-		820
Interest payable	*6*		**(2,119)**		(916)
Other finance costs	*7*		**(14)**		(33)
Loss on ordinary activities before taxation	*1-7*		**(32,794)**		(14,127)
Tax on loss on ordinary activities	*8*		-		-
Loss for the financial period	*17*		**(32,794)**		(14,127)

All activities relate to continuing operations The company has no recognised gains or losses for the current or previous period other than those included in the profit and loss account and, therefore, no Statement of Recognised Gains and Losses has been presented

The Notes on pages 8 to 20 form an integral part of these financial statements

Balance sheet
at 30 March 2007

	Note	30 March 2007 £000	30 March 2007 £000	31 March 2006 £000	31 March 2006 £000
Fixed assets					
Tangible assets	*9*		**3,538**		3,406
Investments	*10*		**30,099**		4,599
			33,637		8,005
Current assets					
Stocks	*11*	**6,868**		7,547	
Debtors	*12*	**24,094**		25,683	
		30,962		33,230	
Creditors amounts falling due within one year	*13*	**(93,804)**		(38,145)	
Net current liabilities			**(62,842)**		(4,915)
Total assets less current liabilities			**(29,205)**		3,090
Provisions for liabilities	*15*		**(1,248)**		(749)
Net (Liabilities)/Assets			**(30,453)**		2,341
Capital and reserves					
Called up share capital	*16*		**48,008**		48,008
Share premium account	*17*		**760**		760
Profit and loss account	*17*		**(79,221)**		(46,427)
Shareholders' (Deficit)/Funds	*18*		**(30,453)**		2,341

These financial statements were approved by the board of directors on 20/12/2007 and were signed on its behalf by

ANR

Director

AN Ramsden

The Notes on pages 8 to 20 form an integral part of these financial statements

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 relation to the financial statements, except as noted below

Basis of preparation

The Financial Statements have been prepared in accordance with applicable accounting standards

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards

The accounts have been prepared on a going concern basis which takes account of the support letters received from the ultimate parent company, which confirms that for a period of twelve months from the date the accounts were signed

- They will not request the repayment of any debt due from the company,
- Additional funding will be provided, if required, to enable the company to continue to trade normally,
- And that the ultimate parent company, together with its major individual shareholders have sufficient resources to provide appropriate further funding if required

Statement of cashflows

The company is exempt from including a statement of cash flows in its accounts, as it is a wholly owned subsidiary of WF Group Holdings Limited which is a company incorporated in the United Kingdom and has included a consolidated statement of cash flows in its consolidated accounts The consolidated financial statements of WF Group Holdings Limited, within which this company is included, can be obtained from the address given in note 23

Turnover

Turnover is the total amount receivable for goods and services sold in the ordinary course of business, excluding sales incentives and value added tax, and arises from continuing activities in the United Kingdom Turnover is recognised on dispatch of goods

Cost of sales

In 2006, cost of sales represented all costs incurred up to the point of sale including the operating expenses of the warehouses However, following the acquisition of DBC on the 5 September 2006 and the related accounting policy alignment, warehouse costs for 2007 of £41,057,000 (2006 £39,935,000) are reflected within distribution costs The 2006 comparative has also been reclassified for comparability purposes

Supplier rebates

Supplier rebates are recognised in the accounts in the period in which they are earned

Related party transactions

As the company is a wholly owned subsidiary of W F Group Holdings Limited, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The Consolidated Financial Statements of W F Group Holdings Limited, within which this company is included, can be obtained from the address given in note 23

Notes *(continued)*

1 Accounting policies *(continued)*

Fixed assets

Fixed assets are stated at cost less accumulated depreciation or, if lower, their recoverable amount measured in accordance with FRS 11 "Impairment of fixed assets and goodwill", based on income generation and net realisable value

Depreciation is provided on a straight-line basis at rates which write off the cost less estimated residual value of each asset evenly over its expected useful life as follows

Plant and equipment	-	10% to 25% per annum
Motor vehicles	-	25% per annum

Leasehold premiums and improvements are depreciated in equal annual instalments over the lesser of the unexpired term of the lease and 50 years However, that element of leasehold premium paid to acquire a beneficial rental is written off over the period of the first open market rent review

The cost of software licences are expensed when incurred

Stocks

Stocks are stated at the lower of cost and net realisable value Cost is calculated by reference to purchase prices less purchase rebates and including overheads Net realisable value is defined as selling price less further costs expected to be incurred to disposal

Investments

Investments are stated at cost less any provision for impairment in value The carrying value of investments are reviewed for impairment if events or changes in circumstances indicate the carrying values may not be recoverable

Taxation

The charge for taxation is based on the profit / (loss) for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax

In accordance with FRS19, deferred tax is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date, with the following exceptions

- Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted, and

- Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets

Deferred tax is measured on a non-discounted 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

Notes *(continued)*

1 Accounting policies *(continued)*

Leasing commitments

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

Assets held under finance leases, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives The capital element of future obligations under the lease is included as a liability in the balance sheet The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

For sale and leaseback agreements the commercial substance of the leaseback is taken into account when deciding on the correct accounting treatment For sale and leaseback agreements which are of a rental nature ("operating leases"), any profit or loss on disposal is recognised immediately in the profit and loss account

Incentives received to enter into a lease agreement are recognised in the profit and loss account over the shorter of the lease term and the period to the next rent review

Property provisions

Where properties are no longer utilised in the business a provision is recorded if the future expected cash outflows exceed any inflow from rental income The provision is discounted in line with the requirements of FRS 12

A discounted provision is recorded in respect of the estimated future cash outflow for dilapidations on leased properties operated by the business

Post retirement benefits

The Company operates a defined contribution pension scheme Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i e forming part of shareholders' funds) only to the extent that they meet the following two conditions

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and

b) where the instrument will, or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments, or is a derivative that will be settled by the Company's exchanging a fixed amount of cash, or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Notes *(continued)*

2 Operating loss

	52 weeks ended 30 March 2007 £000	52 weeks ended 31 March 2006 £000
Loss on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation of owned assets	**906**	1,062
Depreciation of assets held under finance leases	**32**	41
Impairment (see note 9)	**2,465**	-
Total depreciation charge	**3,403**	1,103
Amortisation of goodwill	**-**	32
Impairment losses on goodwill	**-**	1,392
Operating lease rentals		
Plant and equipment	**4,609**	3,991
Others	**998**	488
Profit on disposal of fixed assets	**-**	(114)

Auditors' remuneration

	52 weeks ended 30 March 2007 £000	52 weeks ended 31 March 2006 £000
Amounts receivable by the auditors and their associates in respect of		
Audit of these financial statements	**50**	35

Amounts receivable by the Company's auditors in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, WF Group Holdings Limited at the address given in note 23

3 Employee costs and directors' remuneration

	52 weeks ended 30 March 2007 £000	52 weeks ended 31 March 2006 £000
Employee costs		
Wages and salaries	**30,194**	24,779
Social security costs	**2,682**	2,416
Other pension costs (note 20)	**377**	369
	33,253	27,564

The average number of persons employed by the Company during the period was as follows

	Number 52 weeks ended 30 March 2007	52 weeks ended 31 March 2006
Average number of employees	**1,242**	1,192

Notes *(continued)*

3 Employee costs and directors' remuneration *(continued)*

Directors' remuneration

	52 weeks ended 30 March 2007 £000	52 weeks ended 31 March 2006 £000
Emoluments	553	295
Pension contributions paid to money purchase schemes	67	24
	620	319
	Number	Number
Number of directors in money purchase scheme	3	3

The aggregate of emoluments schemes of the highest paid director was £192,510 *(2006 £130,000)*, and Company pension contributions of £25,497*(2006 £17,000)* were made to a money purchase scheme on his behalf

4 Exceptional items

	52 weeks ended 30 March 2007 £000	52 weeks ended 31 March 2006 £000
Exceptional cost of sales		
Adjustments in respect of pre separation contractual disputes with customers	(777)	1,246
Exceptional administrative expenses		
Restructuring	-	293
Asset write-down on separation	-	1,623
Exceptional bad debt expense	3,872	-
Financial restructuring costs	581	-
Impairment (see note 9)	2,465	-
	6,918	1,916

During the financial year a significant customer entered administration resulting in a significant bad debt charge for the business The business also incurred a number of other one off bad debt charges relating to customers in financial difficulty

Other costs relate to a settlement on pre-separation contract disputes and costs relating to the strategic review of the business The business was acquired on 2 August 2005 and management are committed to implementing a strategic plan which is expected to be completed in 2008

There is no effect of the above items on the tax charge.

Notes *(continued)*

5 Profit on disposal of fixed assets

	52 weeks ended 30 March 2007 £000	52 weeks ended 31 March 2006 £000
Profit on disposal of fixed assets	-	820

The profit on disposal arose from the sale and leaseback of a property in the prior year

There was no effect of the above item on the tax charge

6 Interest payable

	52 weeks ended 30 March 2007 £000	52 weeks ended 31 March 2006 £000
On bank loans and overdrafts	2,119	280
Intra group interest payable	-	631
Finance charges payable under finance leases	-	5
	2,119	916

7 Other finance costs

	52 weeks ended 30 March 2007 £000	52 weeks ended 31 March 2006 £000
Discounted provisions		
Unwinding of discount (note 15)	14	33
	14	33

8 Taxation

	52 weeks ended 30 March 2007 £000	52 weeks ended 31 March 2006 £000
UK corporation tax	-	-
Deferred tax		
Current year reversal of timing differences	-	-
Origination and reversal of timing differences – prior year	-	-
Tax on loss on ordinary activities	-	-

Notes *(continued)*

8 Taxation *(continued)*

	52 weeks ended 30 March 2007 £000	52 weeks ended 31 March 2006 £000
Current tax reconciliation		
The tax assessed for the period is different to the standard rate of tax in the UK (30%) The differences are explained below		
Loss before tax	**(32,794)**	(14,127)
Tax on losses at 30% (UK standard rate)	**(9,838)**	(4,238)
Non deductible expenses	**486**	749
Goodwill amortisation/impairment not allowed for tax	**-**	427
Property profits covered by capital losses	**-**	580
Tax losses carried forward	**8,693**	2,603
Depreciation in excess of capital allowances	**644**	(59)
Other short term timing differences	**15**	(62)
Total current tax charge (see above)	**-**	-

Factors that may affect future tax charges

The company has an unrecognised deferred tax asset of £18,420,000 (2006 *£7,145,000*) at the year end This is split between

	52 weeks ended 30 March 2007 £000	52 weeks ended 31 March 2006 £000
Accelerated capital allowances	**1,753**	63
Short term timing differences	**594**	63
Unutilised trading losses	**16,073**	7,019
	18,420	7,145

Notes *(continued)*

9 Tangible fixed assets

	Short Leasehold £000	Plant and Equipment £000	Motor Vehicles £000	Total £000
Cost				
At beginning of period	17	7,623	539	8,179
Additions	1,451	2,064	31	3,546
Disposals	-	-	(62)	(62)
At end of period	1,468	9,687	508	11,663
Amortisation				
At beginning of period	3	4,339	431	4,773
Charged in period	69	809	60	938
Accelerated depreciation	1,205	1,254	6	2,465
Disposals	-	-	(51)	(51)
At end of period	1,277	6,402	446	8,125
Net book value				
At 30 March 2007	**191**	**3,285**	**62**	**3,538**
At 31 March 2006	14	3,284	108	3,406

During the period management have completed a review of the carrying value of tangible fixed assets which has resulted in an impairment charge of £2,465,000

Included in the total net book value is £Nil *(2006 £32,000)* in respect of plant and equipment held under finance leases Depreciation for the year on these assets was £32,000 (*2006 £41,000)*

Notes *(continued)*

10 Investments

	Subsidiary undertakings £000
Cost	
At beginning of period	13,630
Additions	25,500
	39,130
Provision for diminution of value	
At beginning of period	9,031
Provided in the period	-
At end of period	9,031
Net book value	
At 30 March 2007	**30,099**
At 31 March 2006	4,599

On the 5th September 2006, Woodward Foodservice Limited acquired the entire share capital of DBC Foodservice Limited for total consideration of £25,500,000 In the opinion of the directors, the value of the investments is not less than the book amount shown above

The following subsidiary undertakings are wholly owned and registered in the United Kingdom

Name of Company	Country of incorporation	Principal Activity	Class & percentage of share held	
Direct				
Caterfish Ltd	England & Wales	Dormant	Ordinary shares	100%
Cool Foods Ltd	Scotland	Dormant	Ordinary shares	100%
Woodward Distribution Ltd	England & Wales	Dormant	Ordinary shares	100%
Drydens Frozen Foods Ltd	Scotland	Dormant	Ordinary shares	100%
Deep Freeze Suppliers Ltd	Scotland	Property investment	Ordinary shares	100%
DBC Foodservice Limited	England & Wales	Food sales and distributor	Ordinary shares	100%
Indirect subsidiary undertaking				
Danish Bacon Company (Industrial) Ltd	England & Wales	Dormant	Ordinary shares	100%
Danish Bacon Company (Wholesale) Ltd	England & Wales	Dormant	Ordinary shares	100%
Danish Food Marketing Services Limited	England & Wales	Dormant	Ordinary shares	100%
Heywood, Schalburg, Pedersen Limited	England & Wales	Dormant	Ordinary shares	100%
Maid Marian Limited	England & Wales	Dormant	Ordinary shares	100%
Studland Park Limited	England & Wales	Dormant	Ordinary shares	100%
Studland Park Limited	England & Wales	Dormant	Ordinary shares	100%
Tom Granby (Liverpool) Limited	England & Wales	Dormant	Ordinary shares	100%

Notes *(continued)*

11 Stocks

	30 March 2007 £000	31 March 2006 £000
Goods for resale	**6,868**	7,431
Consumables	**-**	116
	6,868	7,547

12 Debtors

	30 March 2007 £000	31 March 2006 £000
Trade debtors	**16,747**	18,949
Amounts owed by group undertakings	**2,918**	1,910
Other debtors	**825**	172
Prepayments and accrued income	**3,604**	4,652
	24,094	25,683

13 Creditors: amounts falling due within one year

	30 March 2007 £000	31 March 2006 £000
Bank loans and overdrafts	**23,034**	2,850
Trade creditors	**22,348**	20,828
Amounts owed to group undertakings	**38,248**	5,086
Other creditors	**1,501**	500
Accruals and deferred income	**8,673**	8,881
	93,804	38,145

Bank loans and overdrafts are in regard to a revolving debt finance arranged by Lloyds TSB Commercial Finance, at an interest rate of 6 1% and a loan from Lansbanki at an interest rate of 4 9%

The Lloyds TSB commercial finance facility is secured on the trade debtors and stocks of the company and the Lansbanki loan is secured against the properties held by DBC Foodservice Limited

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

Notes *(continued)*

14 Obligations under finance leases

	30 March 2007 £000	31 March 2006 £000
The maturity of these amounts is as follows		
Within one year	-	29
Between one and two years	-	-
Between two and five years	-	-
	-	29

15 Provisions for liabilities and charges

	Deferred tax £000	Property provisions £000	Total £000
At beginning of period	-	749	749
Utilised during the period	-	-	-
Charged to the profit and loss account	-	485	485
Impact of discounting	-	14	14
At end of period	-	**1,248**	**1,248**

Property provisions principally relate to expected future costs of leasehold properties no longer used by business and dilapidations of leasehold property

16 Called up share capital

	30 March 2007 £000	31 March 2006 £000
Authorised		
48,008,000 Ordinary shares of £1 each *(2006 48,008,000)*	**48,008**	48,008
Allotted, called up and fully paid		
48,008,000 Ordinary shares of £1 each *(2006 48 008,000)*	**48,008**	48,008
Shares classified within shareholders funds	**48,008**	48,008

Notes *(continued)*

17 Reserves

	Share premium £000	Profit and loss account £000
At beginning of period	760	(46,427)
Loss for the financial period	-	(32,794)
At end of period	**760**	**(79,221)**

18 Reconciliation of movement in shareholders' (deficit)/funds

	30 March 2007 £000	31 March 2006 £000
Loss for the financial period	**(32,794)**	(14,127)
Retained loss	**(32,794)**	(14,127)
Capital contribution to reserves	**-**	15,272
Net (decrease)/increase in shareholders' funds	**(32,794)**	1,145
Shareholders' funds at the beginning of the period	**2,341**	1,196
Shareholders' (deficit)/funds at the end of the period	**(30,453)**	2,341

19 Lease commitments

At 30 March 2007 the minimum lease payments due under operating leases to which the Company was committed are as follows

	Plant and equipment		**Land and buildings**	
	30 March 2007 £000	31 March 2006 £000	**30 March 2007 £000**	31 March 2006 £000
Leases due to expire				
Within 1 year	**456**	549	**231**	37
Within 2-5 years	**964**	621	**-**	543
In more than 5 years	**2,347**	-	**2,000**	1,131
	3,767	1,170	**2,231**	1,711

Notes *(continued)*

20 Pension scheme

The assets of the Woodward money purchase scheme are held separately from those of the company Contributions made by the company to the scheme during the period amounted to £377,000 (*2006 £369,000*)

21 Post Balance Sheet Events

On 21st March 2007, it was announced that the standard rate of corporation tax was to be changed to 28% and capital allowance legislation impacting on the calculation of the deferred tax provision of the company will be introduced for taxable periods arising on or after 30 March 2008

For the purpose of the company accounts to 30 March 2007, the standard rate of corporation tax and capital allowance legislation applicable prior to 30 March 2008 has been applied on the basis that these were enacted at 30 March 2007

On the 20 December 2007, the group's primary shareholders, Baugur and Fons agreed to convert £17,900,000 of the debt outstanding as at 30 March 2007 to equity This represented unsecured loan stock which was converted into 17,900,000 new ordinary shares of £1 each This post balance sheet event is further disclosed in the financial statements of WF Group Holdings Limited, available from the address given in note 23

22 Related party transactions

The Company is a wholly owned subsidiary of W F Group Holdings Limited In accordance with paragraph 3(c) of FRS 8 'Related Party Transactions' the company is exempt from disclosing details of arrangements with other companies in the W F Group Holdings Limited group

During the period the Company made sales of £563,197 (2006 £613,000) and purchases of £7,437,534 *(2006 £4,170)* to/from Booker Limited, a fellow associated company of Baugur Group At the period end amounts due to Booker Limited totalled £12,691 *(2006 £106,000)* and from Booker Limited totalled £82,888 *(2006 £71,000)* Temporary service arrangement costs of £886,773 *(2006 £440,000)* have been paid to Iceland Limited, a fellow associated company of Baugur Group As at the period end amounts due to Iceland Limited totalled £309,436 (2006 £Nil)

23 Ultimate parent undertaking

At 30 March 2007, the ultimate parent undertaking was W F Group Holdings Limited, a company registered in England and Wales Copies of the W F Group Holdings Limited accounts are available from W F Group Holdings Limited, Parkway, Deeside Industrial Park, Chester CH5 2NS