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IRISH BISCUITS (N.I.) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

DEPARTMENT OF ENTERPRISE
TRADE AND INVESTMENT

27 OCT 2006

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COMPANIES REGISTRY

Company Registration Number NI 7475

IRISH BISCUITS (N.I.) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

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IRISH BISCUITS (N.I.) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

Mr A G M Ritchie (Resigned 28 April 2005)
Mr M Oldham
Ms S Furst
Mr S Rose (Appointed 28 April 2005)

COMPANY SECRETARY

Mr M Oldham

REGISTERED OFFICE

P O Box 3
Hillsborough
Co Down

AUDITORS

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

BANKERS

Northern Bank Limited
1-9 Victoria Street
Belfast

SOLICITORS

Johns Elliot
40 Linenhall Street
Belfast, BT2 8BA

IRISH BISCUITS (N.I.) LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 31ST DECEMBER 2005**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2005

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continues to be the distribution of biscuits and other foods.

The results for the year and the financial position at the end of the year were satisfactory.

FUTURE DEVELOPMENTS

It is the directors' intention to develop the present activities of the company.

RESULTS AND DIVIDENDS

The profit for the financial year is £1,667,529 (2004: £818,266).

The following dividends have been paid during the year:

	2005	2004
	£	£
Interim dividends paid on ordinary shares	0	800,000

No final dividend is proposed.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year are shown on page 1.

None of the directors had any beneficial interests in the shares of the company during the year. Interests in the shares of the parent company are set out in the accounts of that company.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law 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 at the end of the year and of the profit or loss for the year then ended. 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;
- 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. The directors 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.

IRISH BISCUITS (N.I.) LIMITED

THE DIRECTORS' REPORT (continued)

YEAR ENDED 31ST DECEMBER 2005

AUDITORS

A resolution to appoint Ernst & Young LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with Article 392 of the Companies (Northern Ireland) Order 1986.

Registered office:
P O Box 3
Hillsborough
Co Down

Signed on behalf of the directors



Mr M Oldham
Company Secretary

Approved by the directors on 10 October 2006

10 October 2006

IRISH BISCUITS (N.I.) LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS****YEAR ENDED 31ST DECEMBER 2005**

We have audited the Company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, Balance Sheet, the Statement of Total Recognised Gains & Losses, the Note of Historical Cost Profits and Losses, the Reconciliation of Movement in Shareholders Funds and the related notes 1 to 20. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Article 243 of the Companies (Northern Ireland) Order 1986. 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 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 applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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 (Northern Ireland) Order 1986. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 became aware of any apparent misstatements within it.

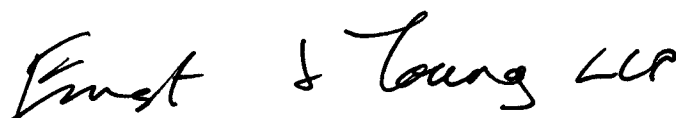
BASIS OF AUDIT OPINION

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.

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 at 31st December 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.

**Ernst & Young LLP**

Chartered Accountants & Registered Auditors

Belfast

Date: 17 October 2006.

IRISH BISCUITS (N.I.) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST DECEMBER 2005**

	Note	2005 £	2004 Re-stated £
Turnover	2	15,828,960	13,785,157
Cost of sales		<u>(12,107,550)</u>	<u>(10,517,991)</u>
GROSS PROFIT		3,721,410	3,267,166
Distribution costs		<u>(1,958,827)</u>	<u>(1,866,887)</u>
Administrative expenses		<u>(133,356)</u>	<u>(304,395)</u>
OPERATING PROFIT	3	1,629,227	1,095,884
Exceptional Item		0	(3,433)
Interest receivable and similar income	6	20,258	15,574
Finance costs		<u>(1,000)</u>	<u>(23,000)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,648,485	1,085,025
Taxation	7	<u>19,044</u>	<u>(266,759)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,667,529	818,266

All amounts above relate to the continuing operations of the company.

IRISH BISCUITS (N.I.) LIMITED

YEAR ENDED 31ST DECEMBER 2005

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2005	2004 Re-stated
	£	£
Profit on ordinary activities before taxation	1,648,485	1,085,025
Difference between historical cost depreciation charge and the actual charge for the year calculated on the revalued amount	3,496	3,496
Historical cost profit on ordinary activities before taxation	<u>1,651,981</u>	<u>1,088,521</u>
Historical cost profit for the year retained after taxation and dividends	<u>1,671,025</u>	<u>821,762</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004 Re-stated
	£	£
Profit for the financial year	1,667,529	818,266
Dividends	0	(800,000)
Net movement during the year	<u>1,667,529</u>	<u>18,266</u>
Opening shareholders' equity funds	1,903,108	1,770,842
Total recognised gains and losses	88,000	114,000
Closing shareholders' equity funds	<u>3,658,637</u>	<u>1,903,108</u>

STATEMENT OF RECOGNISED GAINS AND LOSSES

Profit attributable to shareholders	1,667,529	818,266
Actuarial gains on pension fund	126,000	162,000
Deferred tax charge on actuarial gains	(38,000)	(49,000)
Total recognised gains for the period	<u>1,755,529</u>	<u>931,266</u>
Prior year adjustment on adoption of FRS 17	(476,000)	
Total recognised gains since the last annual report	<u>1,279,529</u>	

IRISH BISCUITS (N.I.) LIMITED

BALANCE SHEET

31st DECEMBER 2005

	Note	2005 £	2004 Re-stated £
FIXED ASSETS			
Tangible assets	9	221,258	237,088
CURRENT ASSETS			
Stocks	10	751,343	823,950
Debtors	11	3,464,571	3,689,564
Cash at bank and in hand		1,763,566	364,242
		<u>5,979,480</u>	<u>4,877,756</u>
CREDITORS: Amounts falling due within one year	12	<u>(1,802,225)</u>	<u>(2,317,860)</u>
NET CURRENT ASSETS		<u>4,177,255</u>	<u>2,559,896</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,398,513</u>	<u>2,796,984</u>
 Pension Deficit		 162,000	 316,000
NET ASSETS INCLUDING PENSION LIABILITIES		<u><u>4,236,513</u></u>	<u><u>2,480,984</u></u>
CAPITAL AND RESERVES			
Equity share capital	17	28,000	28,000
Share premium account		387,000	387,000
Revaluation reserve		162,876	162,876
Profit and loss account		<u>3,658,637</u>	<u>1,903,108</u>
EQUITY SHAREHOLDERS' FUNDS		<u><u>4,236,513</u></u>	<u><u>2,480,984</u></u>

The financial statements on pages 5 to 16 were approved by the directors on 10 October 2006, and are signed on their behalf by:



Director

10 October 2006

IRISH BISCUITS (N.I.) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2005**

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain tangible fixed assets.

The financial statements are prepared in accordance with applicable accounting standards.

In preparing the financial statements for the current year, the company has adopted FRS 17 'Retirement Benefits'. The adoption of FRS 17 has resulted in a change in accounting policy for Retirement Benefits. This change in accounting policy has resulted in a prior year adjustment for the company. For the company, shareholders' funds have been reduced by £316,000 at 31 December 2004 and the profit for the year ended 31 December 2004 has been increased by £46,000. Profit for the company for the current year has been increased by £66,000 as a result of the change in accounting policy.

Cash flow statement

The Company has not produced a cash flow statement as the parent Company as at 1 January 2006, United Biscuits Group (Investments) Limited, has prepared a consolidated cash flow statement complying with Financial Reporting Standard 1 "Cash Flow Statements (revised 1996)."

Turnover

Turnover represents the invoiced value of goods supplied during the year excluding value added tax. Revenue is recognised upon shipment of products, which is when title to the product is transferred to the customer.

Fixed Assets

On adoption of FRS 15, the company followed the transitional provisions to retain the book value of long leasehold land and buildings which were revalued in December 1984, but not to adopt a policy of revaluation in the future.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

Land	- No Depreciation is provided
Freehold Property	- 2% Straight Line
Plant and Machinery	- 7-33% & 5% Straight Line

Stocks

Stocks are valued, on the first in first out basis, at the lower of cost and estimated net realisable value. Cost includes all expenditure, which has been incurred in the normal course of business in bringing the products to their present location and condition. Net realisable value is the estimated selling price, net of trade discount, of stock on hand less all further costs expected to be incurred in marketing, selling and distribution.

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, and the capital element which reduces the outstanding obligation for future instalments.

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 as incurred.

Pension costs

method, with actuarial valuations being carried out at each balance sheet date, with the surplus or deficit arising 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. In addition to the defined benefit scheme, the company also operates a contributory Group Personal Pension.

IRISH BISCUITS (N.I.) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2005****1. ACCOUNTING POLICIES (continued)****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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profit and its results as stated in the financial statements. Deferred tax assets and liabilities recognised have not been discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Advertising and promotional expenditure

Advertising and promotional expenditure is written off in full in the period in which the costs are incurred.

2. ANALYSIS OF TURNOVER AND RESULTS

The turnover and results relate to the company's main activity which is carried out in the United Kingdom and Ireland.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2005 £	2004 £
Depreciation - owned assets	15,830	36,931
- leased assets	0	853
Auditors' remuneration - audit services	0	12,000
Loss on disposal of fixed assets	0	3,433
Operating lease rentals - hire of vehicles	76,371	73,518

4. EMPLOYEE INFORMATION

The average number of persons employed by the company (including executive directors) during the year was as follows:

	2005	2004
Management	2	2
Administration and sales	21	22
Distribution	5	5
	28	29

The aggregate payroll costs of these persons were as follows:

	2005 £	2004 £
Wages and salaries	796,305	778,397
Social security costs	82,962	79,571
Pension costs	214,391	202,185
	1,093,658	1,060,153

IRISH BISCUITS (N.I.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

5. DIRECTORS' EMOLUMENTS (Period 1/1/2004 - 20/9/2004)

The directors' emoluments were:	2005	2004
	£	£
Aggregate emoluments	0	206,540

Retirement benefits are accruing to 0 directors (2004: 2) under a defined benefit scheme.

Highest paid director	2005	2004
	£	£
Aggregate emoluments	0	140,078
Accrued pension at the end of the year	0	42,120

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2005	2004
	£	£
Bank interest receivable	20,258	15,574

7. TAXATION

	2005	2004
	£	£
Current Tax:		
UK corporation tax at 30%	0	232,346
Adjustment in respect of previous periods	0	(149)
Total current tax	0	232,197
Deferred tax:		
Origination and reversal of timing differences	(47,044)	14,562
FRS17	28,000	20,000
Total deferred tax	(19,044)	34,562
Tax on profit on ordinary activities	(19,044)	266,759

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

In addition to the tax charge in the profit and loss account detailed above, £38,000 of deferred tax has been debited to the statement of recognised gains and losses in respect of an actuarial gain recognised on the company's pension schemes (2004 Restated - charge of £49,000)

	2005	2004
	%	%
Profit on ordinary activities at statutory rate	30.0	30.0
Book depreciation in excess of capital allowances	0.3	0.7
Short term timing differences	0.8	0.1
Group relief not paid for	(31.3)	-8.9
Other items	0.2	0.8
	0.0	22.7

IRISH BISCUITS (N.I.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2005

8. DIVIDENDS

The following dividends have been paid during the year:

	2005 £	2004 £
Interim dividends paid on ordinary shares	<u>0</u>	<u>800,000</u>

The interim dividend of £0 consisted of £0 per 'A' share (2004: £32 per 'A' share).

9. TANGIBLE FIXED ASSETS

	Land & Buildings £	Equip, Plant & Machinery £	Total £
COST OR VALUATION			
At 1st January 2005	322,283	646,463	968,746
At 31st December 2005	<u>322,283</u>	<u>646,463</u>	<u>968,746</u>
ACCUMULATED DEPRECIATION			
At 1st January 2005	115,199	616,459	731,658
Charge for the year	6,028	9,802	15,830
At 31st December 2005	<u>121,227</u>	<u>626,261</u>	<u>747,488</u>
NET BOOK VALUE			
At 31st December 2005	<u>201,056</u>	<u>20,202</u>	<u>221,258</u>
At 31st December 2004	<u>207,084</u>	<u>30,004</u>	<u>237,088</u>

Revaluation of fixed assets

Freehold land and buildings are stated at:

	2005 £	2004 £
Cost	64,918	64,918
Open Market Value - 1984	<u>257,365</u>	<u>257,365</u>
	<u>322,283</u>	<u>322,283</u>

The land and buildings at 31 December 1984 of the company were revalued by Lisney & Son on the open market basis, reflecting existing use. Subsequent additions are at cost.

The depreciable element of freehold land and buildings, namely buildings, amounts to £301,411 (2004: £301,411).

IRISH BISCUITS (N.I.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

9. TANGIBLE FIXED ASSETS (continued)

The historical cost equivalent of land and buildings included at valuation above is as follows:

	2005 £	2004 £
Historical cost	126,593	126,593
Accumulated depreciation	(65,889)	(63,357)
	<u>60,704</u>	<u>63,236</u>

10. STOCKS

	2005 £	2004 £
Goods for resale	<u>751,343</u>	<u>823,950</u>

The estimated replacement costs of stocks are not considered to be materially different from their balance sheet value.

11. DEBTORS

	2005 £	2004 £
Trade debtors	1,511,818	1,712,764
Amounts owed by parent company	1,604,723	1,616,354
Other debtors	262,925	331,430
Prepayments and accrued income	26,913	29,016
Corporation Tax	11,148	0
Deferred Tax (Note 14)	47,044	0
	<u>3,464,571</u>	<u>3,689,564</u>

All amounts shown under debtors fall due for payment within one year except deferred tax asset which is not recoverable within one year.

12. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	1,369,412	1,412,857
Amounts owed to group undertakings	28,654	433,228
Other tax and social security	65,561	30,585
Corporation tax	0	70,227
Accruals and deferred income	338,598	370,963
	<u>1,802,225</u>	<u>2,317,860</u>

IRISH BISCUITS (N.I.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

13. PENSION COMMITMENTS

The Company's principal pension scheme is a defined benefit scheme, which is funded by the payment of contributions to a separately administered fund. Contributions to the scheme are determined with the advice of independent qualified actuaries on the basis of regular actuarial valuations using the projected unit method.

The most recent actuarial valuation conducted as at 31 December 2002 has been updated using the major assumptions as set out below.

Disclosures under FRS 17

For the purposes of FRS 17 "Retirement Benefits", the following financial assumptions were used by the actuary in updating the full valuation at 31 December 2005:

	2005	2004	2003
Rate of increase in salaries	3.30%	3.60%	3.75%
Rate of increase of pension payment	2.50%	2.40%	2.75%
Discount rate	4.81%	5.40%	5.50%
Inflation Assumption	2.60%	2.60%	2.75%

The assets in the scheme and the expected rate of return were:

	Long term rate of return expected at 31 December 2005	Value at 31 December 2005 £	Long term rate of return expected at 31 December 2004	Value at 31 December 2004 £	Long term rate of return expected at 31 December 2003	Value at 31 December 2003 £
Equities	8.00%	1,697,000	8.00%	1,218,000	7.00%	1,047,000
Bonds	4.50%	632,000	4.60%	617,000	4.75%	542,000
Property	8.00%	19,000	n/a	-	6.00%	15,000
Cash	4.50%	53,000	4.75%	64,000	4.00%	-
Total market value of assets		<u>2,401,000</u>		<u>1,899,000</u>		<u>1,604,000</u>
Present value of scheme liabilities		<u>(2,632,000)</u>		<u>(2,351,000)</u>		<u>(2,284,000)</u>
Deficit in the scheme		<u>(231,000)</u>		<u>(452,000)</u>		<u>(680,000)</u>
Related deferred tax asset		<u>69,000</u>		<u>136,000</u>		<u>204,000</u>
Net pension liability		<u>(162,000)</u>		<u>(316,000)</u>		<u>(476,000)</u>

IRISH BISCUITS (N.I.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

13. PENSION COMMITMENTS (continued)

Analysis of the amount charged to operating profit

	2005 £	2004 £
Operating Profit		
Current service cost	61,000	66,000
Past service cost	-	-
Total operating charge	<u>61,000</u>	<u>66,000</u>

Other finance income/(costs)

Expected return on pension scheme assets	129,000	101,000
Interest on pension scheme assets	<u>(130,000)</u>	<u>(124,000)</u>
Net return	<u>(1,000)</u>	<u>(23,000)</u>

Analysis is of amount recognised in the
Statement of total recognised gains and losses (STRGL)

Actual return less expected returns on assets	258,000	82,000
Experience gains and losses arising on the scheme liabilities	85,000	66,000
Changes in assumptions underlying the present value of the scheme liabilities	<u>(217,000)</u>	<u>14,000</u>
Actuarial gain/(loss) recognised in STRGL	<u>126,000</u>	<u>162,000</u>

Movement in surplus during the year

Deficit in scheme at beginning of year	(452,000)	(680,000)
Current service cost	(61,000)	(66,000)
Contributions	157,000	155,000
Past service costs	-	-
Other financial (costs)/income	(1,000)	(23,000)
Actuarial loss	<u>126,000</u>	<u>162,000</u>
Surplus in scheme at end of year	<u>(231,000)</u>	<u>(452,000)</u>

IRISH BISCUITS (N.I.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2005

13. PENSION COMMITMENTS (continued)

Details of experienced gains and losses for the year:	2005	2004
Difference between the experienced and actual return on scheme assets		
Amount (£)	258,000	82,000
Percentage of scheme assets	11%	4%
Experienced gains and losses on scheme liabilities		
Amount (£)	85,000	66,000
Percentage of scheme assets	3%	3%
Total amount recognised in STRGL		
Amount (£)	126,000	162,000
Percentage of scheme assets	5%	7%

14. DEFERRED TAXATION

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

	2005 £	2004 £
At 1st January 2005	-	(14,562)
Released to profit and loss account	47,044	14,562
At 31st December 2005	47,044	-

Deferred tax: Full provision has been made for potential deferred tax liabilities as follows:

	2005 £	2004 £
Book depreciation in excess of capital allowances	8,279	-
Short term timing differences	38,765	-
	47,044	-

The deferred tax balances above do not include any amounts in respect of the company's pension liability which is shown on the balance sheet after deduction of a deferred tax asset of £69,000 (2004 - re-stated - £136,000)

15. CAPITAL COMMITMENTS

	2005 £	2004 £
Contracted for but not provided in financial statements	-	-

16. FINANCIAL COMMITMENTS

At 31st December 2005 the company had annual commitments under non-cancellable operating leases expiring as follows:

Assets other than land and buildings

	2005 £	2004 £
Operating leases which expire:		
Within 1 year	-	28,396
In more than 1 year, but not more than 5 years	35,211	39,334
	35,211	67,730

IRISH BISCUITS (N.I.) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2005****17. SHARE CAPITAL****Authorised share capital:**

	2005 £	2004 £
30,000 Ordinary 'A' shares of £1.00 each	30,000	30,000
20,000 Ordinary 'B' shares of £1.00 each	<u>20,000</u>	<u>20,000</u>
	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No.	£	No.	£
Ordinary 'A' shares of £1.00 each	25,000	25,000	25,000	25,000
Ordinary 'B' shares of £1.00 each	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>

18. CONTINGENT LIABILITIES

The directors have confirmed that there were no contingent liabilities which should be disclosed at 31st December 2005.

19. ULTIMATE PARENT COMPANY

The Company's ultimate UK parent undertaking is United Biscuits Group (Investments) Limited. It has included the Company in its group financial statements, copies of which are available from its registered office:

Hayes Park
Hayes End Road
Hayes
Middlesex, UB4 8EE

In the directors' opinion, the Company's ultimate parent undertaking is United Biscuits (Equity) Limited which is incorporated in the Cayman Islands.

20. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions laid out in Financial Reporting Standard Number 8 "Related Party Transactions" not to disclose transactions with entities that are part of the group, on the grounds that consolidated financial statements of the group are publicly available.