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NI 7475

IRISH BISCUITS (N.I.) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

Company Registration Number NI 7475

IRISH BISCUITS (N.I.) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2003

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# IRISH BISCUITS (N.I.) LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

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### THE BOARD OF DIRECTORS

Mr M Elsarky (Chairman)  
 Mr N Murphy  
 Mr B M Taylor (Managing Director)  
 Mr J D C Fearon

### COMPANY SECRETARY

Mr B Maoret

### REGISTERED OFFICE

P O Box 3  
 Hillsborough  
 Co Down

### AUDITORS

PricewaterhouseCoopers LLP  
 Chartered Accountants & Registered Auditors  
 Waterfront Plaza  
 8 Laganbank Road  
 Belfast

### BANKERS

Northern Bank Limited  
 1-9 Victoria Street  
 Belfast

### SOLICITORS

Johns Elliot  
 11 Lombard Street  
 Belfast

**IRISH BISCUITS (N.I.) LIMITED****THE DIRECTORS' REPORT****YEAR ENDED 31ST DECEMBER 2003**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2003.

**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 £850,763 (2002: £915,457).

The following dividends have been paid during the year:

	2003	2002
	£	£
Interim dividends paid on ordinary shares	800,000	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**

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.

RISH BISCUITS (N.I.) LIMITED

THE DIRECTORS' REPORT (continued)

YEAR ENDED 31ST DECEMBER 2003

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AUDITORS

A resolution to re-appoint Pricewaterhouse Coopers 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  
Billsborough  
Co Down

Signed on behalf of the directors



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Mr B Maloret  
Company Secretary

Approved by the directors on 13 May 2004

**IRISH BISCUITS (N.I.) LIMITED****INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS****YEAR ENDED 31ST DECEMBER 2003**

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes,

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable Northern Ireland law and United Kingdom accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Article 243 of the Companies (Northern Ireland) Order 1986 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 transactions is not disclosed.

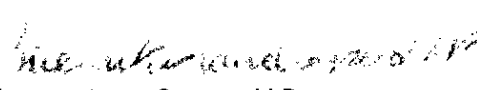
**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with Auditing Standards 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 financial 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 of the state of the company's affairs at 31st December 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.


**PricewaterhouseCoopers LLP**

Chartered Accountants &amp; Registered Auditors

Belfast

Date 16 May 2004

**IRISH BISCUITS (N.I.) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31ST DECEMBER 2003**

	Note	2003 £	2002 £
Turnover	2	13,499,744	13,309,691
Cost of sales		(10,156,525)	(9,977,793)
<b>GROSS PROFIT</b>		<b>3,343,219</b>	<b>3,331,898</b>
Distribution costs		(1,892,214)	(1,811,011)
Administrative expenses		(251,555)	(241,904)
<b>OPERATING PROFIT</b>	3	<b>1,199,450</b>	<b>1,278,983</b>
Interest receivable and similar income	6	30,424	35,963
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,229,874</b>	<b>1,314,946</b>
Taxation	7	(379,111)	(399,488)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>850,763</b>	<b>915,458</b>
Dividends	8	(800,000)	(800,000)
<b>RETAINED PROFIT FOR THE YEAR</b>		<b>50,763</b>	<b>115,458</b>
Balance brought forward		2,196,080	2,080,622
<b>BALANCE CARRIED FORWARD</b>		<b>2,246,843</b>	<b>2,196,080</b>

The company has no recognised gains or losses other than the those included above,  
and therefore no separate statement of total recognised gains and losses has been presented

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

## RISH BISCUITS (N.I.) LIMITED

YEAR ENDED 31ST DECEMBER 2003

## NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2003 £	2002 £
Profit on ordinary activities before taxation	1,229,874	1,014,945
Adjustment between historical cost depreciation charge and the actual charge for the year calculated on the revalued amount	3,496	3,496
Profit on ordinary activities before taxation	<u>1,233,370</u>	<u>1,018,441</u>
Historical cost profit for the year retained after taxation and dividends	<u>54,259</u>	<u>108,950</u>

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	850,763	915,457
Dividends	<u>(800,000)</u>	<u>(200,000)</u>
Net movement during the year	50,763	115,457
Opening shareholders' equity funds	2,773,955	1,658,408
Closing shareholders' equity funds	<u>2,824,718</u>	<u>1,773,865</u>



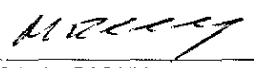
## IRISH BISCUITS (N.I.) LIMITED


## BALANCE SHEET

31ST DECEMBER 2003

	Note	2003 £	2002 £
<b>FIXED ASSETS</b>			
Intangible assets	9	279,305	10,271
<b>CURRENT ASSETS</b>			
Stocks	10	980,953	871,554
Debtors	11	2,606,510	2,459,456
Cash at bank and in hand		798,907	1,135,126
		<u>4,386,370</u>	<u>4,476,136</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(1,840,957)</u>	<u>(2,024,311)</u>
<b>NET CURRENT ASSETS</b>		<u>2,545,413</u>	<u>1,451,825</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,824,718</u>	<u>1,021,090</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	14	-	(7,141)
<b>NET ASSETS</b>		<u>2,824,718</u>	<u>1,013,949</u>
<b>CAPITAL AND RESERVES</b>			
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>2,246,842</u>	<u>1,196,073</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>2,824,718</u>	<u>1,773,955</u>

The financial statements on pages 5 to 16 were approved by the directors on 13 May 2004 and are signed on their behalf by

  
 MR M H SARKY  
 Director

  
 MR B M TAYLOR  
 Director

**IRISH BISCUITS (N.I.) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2003****1. ACCOUNTING POLICIES**

These financial statements are prepared on the going concern basis under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, and in accordance with the Companies (Northern Ireland) Order 1986 and applicable accounting standards. The principal accounting policies are set out below.

**Cash flow statement**

Irish Biscuits (NI) Limited is exempt under the provisions of Financial Reporting Standard No. 1 "Cash Flow Statements" from producing a statement of cash flows. The ultimate parent company, Group Danone, produces a statement of cash flows which includes the cash flows derived from Irish Biscuits (NI) Limited within its financial statements.

**Turnover**

Turnover represents the invoiced value of goods supplied during the year excluding value added tax and trade discounts. 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% 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**

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining working lives of current members in the scheme.

The accounting requirements of FRS 17 "Retirement Benefits" must be implemented in full for the year ended 31 December 2005. FRS 17 requires a surplus or deficit in a pension scheme (measured with reference to the fair values of the scheme assets and liabilities) to be shown on the employer's balance sheet. Changes in those fair values from year to year will be reflected in the profit and loss account or statement of total recognised gains and losses as appropriate. Disclosures required under the transitional arrangements of FRS 17 are provided in Note 13 to these financial statements.

## IRISH BISCUITS (N.I.) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2003

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):

	2003 £	2002 £
Depreciation - owned assets	44,710	45,748
- leased assets	5,256	5,257
Auditors' remuneration - audit services	8,000	8,000
Profit on disposal of fixed assets	-	(1,500)
Operating lease rentals - hire of vehicles	68,708	62,349

## 4. EMPLOYEE INFORMATION

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

	2003	2002
Management	2	2
Administration and sales	22	22
Distribution	5	5
	29	29

The aggregate payroll costs of these persons were as follows:

	2003 £	2002 £
Wages and salaries	736,849	705,040
Social security costs	74,508	69,548
Pension costs	138,724	99,301
	950,081	873,889

## IRISH BISCUITS (N.I.) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2003

## 5. DIRECTORS' EMOLUMENTS

The directors' emoluments were	2003	2002
	£	£
Aggregate emoluments	<u>200,633</u>	<u>138,957</u>

Retirement benefits are accruing to 2 directors (2002: 2) under a defined benefit scheme.

Highest paid director	2003
	£
Aggregate emoluments	<u>120,861</u>
Accrued pension at the end of the year	<u>37,825</u>

## INTEREST RECEIVABLE AND SIMILAR INCOME

	2003	2002
	£	£
Bank interest receivable	<u>30,424</u>	<u>35,062</u>

## 7. TAXATION

	2003	2002
	£	£
<b>Current Tax:</b>		
UK corporation tax at 30%	385,147	308,054
Adjustment in respect of previous periods	<u>15,667</u>	<u>4,152</u>
Total current tax	<u>400,814</u>	<u>312,202</u>
<b>Deferred tax:</b>		
Accelerated capital allowances & other timing differences	(6,708)	(4,414)
Prior year adjustments	<u>(14,995)</u>	<u></u>
Total deferred tax	<u>(21,703)</u>	<u>(4,414)</u>
<b>Tax on profit on ordinary activities</b>	<u>379,111</u>	<u>307,788</u>

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

	2003	2002
	£	£
<b>Profit on ordinary activities before tax</b>	<b>1,229,874</b>	<b>1,314,945</b>
Profit on ordinary activities multiplied by standard rate in the UK 30% (2002: 30%)	<b>368,962</b>	<b>394,484</b>
Effects of:		
Expenses not deductible for tax purposes	9,477	9,156
Accelerated capital allowances and other timing differences	6,708	4,414
Adjustments in respect of previous periods	<u>15,667</u>	<u>4,152</u>
<b>Current tax charge for the period</b>	<u><b>400,814</b></u>	<u><b>399,002</b></u>

## IRISH BISCUITS (N.I.) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2003

## 8. DIVIDENDS

The following dividends have been paid during the year:

	2003 £	2002 £
Interim dividends paid on ordinary shares	800,000	800,000

The interim dividend of £800,000 consisted of £32 per 'A' share (2002: £32 per 'A' share).

## 9. TANGIBLE FIXED ASSETS

	Land & Buildings £	Equip, Plant & Machinery £	Total £
<b>COST OR VALUATION</b>			
At 1st January 2003	322,283	683,213	1,005,496
Additions	-	-	-
<b>At 31st December 2003</b>	<b>322,283</b>	<b>683,213</b>	<b>1,005,496</b>
<b>ACCUMULATED DEPRECIATION</b>			
At 1st January 2003	103,143	573,082	676,225
Charge for the year	6,028	43,938	49,966
<b>At 31st December 2003</b>	<b>109,171</b>	<b>617,020</b>	<b>726,191</b>
<b>NET BOOK VALUE</b>			
<b>At 31st December 2003</b>	<b>213,112</b>	<b>66,193</b>	<b>279,305</b>
At 31st December 2002	219,140	110,131	329,271

## Revaluation of fixed assets

Freehold land and buildings are stated at:

	2003 £	2002 £
Cost	64,918	64,918
Open Market Value - 1984	257,365	257,365
	<b>322,283</b>	<b>322,283</b>

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 (2002: £301,411)

## IRISH BISCUITS (N.I.) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2003

9. TANGIBLE FIXED ASSETS (*continued*)

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

	2003	2002
	£	£
Historical cost	126,593	126,593
Accumulated depreciation	(60,825)	(58,293)
	<u>65,768</u>	<u>68,300</u>

The net book value of tangible fixed assets includes an amount of £853 (2002: £6,110) in respect of assets held under finance leases. The related depreciation charge for the period was £5,257 (2002: £5,257)

## 10. STOCKS

	2003	2002
	£	£
Stocks for resale	<u>980,953</u>	<u>871,554</u>

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

## 11. DEBTORS

	2003	2002
	£	£
Trade debtors	1,240,550	1,155,753
Amounts owed by parent company	1,284,007	1,245,928
Other debtors	35,126	13,950
Prepayments and accrued income	32,265	33,825
Deferred taxation (note 14)	14,562	
	<u>2,606,510</u>	<u>2,469,456</u>

All amounts shown under debtors fall due for payment within one year.

## 12. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Trade creditors	324,469	616,639
Obligations under hire purchase and finance lease agreements	5,194	5,194
Amounts owed to group undertakings	851,749	897,627
Other tax and social security	36,397	49,023
Corporation tax	172,897	223,216
Accruals and deferred income	450,251	232,612
	<u>1,840,957</u>	<u>2,024,311</u>

## IRISH BISCUITS (N.I.) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2003

## 13. PENSION COMMITMENTS

## SSAP24

Pensions for employees, including executive directors, are funded through an external pension scheme, which is a defined benefit scheme. The scheme is vested in an independent trustee company, the directors of which are nominated by the company for the sole benefit of employees or their dependants. The pension costs to the company of the defined benefit scheme are assessed in accordance with the advice of independent professionally qualified actuaries obtained at three yearly intervals.

The last actuarial valuation for the scheme was at 31 December 2002 using the attained age method. The principal actuarial assumption was that over the long term, the annual rate of return on investments would be 2% higher than the annual increase in pensionable remuneration. The market value of the Scheme's net assets was £1,316,000 and this was sufficient to cover 68% of benefits accrued to members, after allowing for expected future increases in salaries. The actuary's report is available to members but not for public inspection.

The total pension cost to the company was £138,724 being an increase of £39,423 over 2002.

## 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 2002 and updated to 31 December 2003

	2003	2002	2001
Rate of increase in salaries	3.75%	3.50%	3.50%
Rate of increase of pension payment	2.75%	2.50%	2.50%
Discount rate	5.50%	5.75%	5.75%
Inflation Assumption	2.75%	2.50%	2.50%

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

	Long term rate of return expected at 31 December 2003	Value at 31 December 2003 £	Long term rate of return expected at 31 December 2002	Value at 31 December 2002 £	Long term rate of return expected at 31 December 2001	Value at 31 December 2001 £
Equities	7.00%	1,047,000	7.00%	762,000	7.00%	923,000
Bonds	4.75%	542,000	4.75%	146,000	5.00%	126,000
Property	6.00%	15,000	6.00%	14,000	6.00%	11,000
Cash	4.00%	-	4.00%	40,000	4.00%	60,000
Other	4.75%	-	4.75%	363,000	4.75%	348,000
Total market value of assets		<u>1,604,000</u>		<u>1,325,000</u>		<u>1,458,000</u>
Present value of scheme liabilities		<u>(2,285,000)</u>		<u>(1,649,000)</u>		<u>(1,509,000)</u>
Deficit in the scheme		<u>(681,000)</u>		<u>(324,000)</u>		<u>(51,000)</u>
Related deferred tax asset		<u>204,300</u>		<u>97,200</u>		<u>16,300</u>
Net pension liability		<u>(476,700)</u>		<u>(226,800)</u>		<u>(35,700)</u>

## IRISH BISCUITS (N.I.) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2003

## 13. PENSION COMMITMENTS (continued)

If the above amounts had been recognised in the financial statements, the company's net assets and profit and loss reserve at 31 December 2003 would be as follows:

	2003 £	2002 £	2001 £
Net assets excluding pension liabilities	2,824,718	2,773,955	2,658,498
Pension liability	(476,700)	(226,800)	(135,700)
Net assets including pension liability	<u>2,348,018</u>	<u>2,547,155</u>	<u>2,522,798</u>
Profit and loss reserve excluding pension liability	2,246,842	2,106,070	2,030,622
Pension reserve	(476,700)	(226,800)	(135,700)
Profit and loss reserve	<u>1,770,142</u>	<u>1,879,270</u>	<u>1,894,922</u>

## Analysis of the amount charged to operating profit

	2003 £	2002 £
Operating Profit		
Current service cost	60,000	58,000
Past service cost	-	-
Total operating charge	<u>60,000</u>	<u>58,000</u>

## Other finance income/(costs)

Expected return on pension scheme assets	83,000	92,000
Interest on pension scheme assets	(96,000)	(88,000)
Net return	<u>(13,000)</u>	<u>4,000</u>

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

Actual return less expected returns on assets	126,000	(298,000)
Experience gains and losses arising on the scheme liabilities	(138,000)	1,000
Changes in assumptions underlying the present value of the scheme liabilities	(348,000)	-
Actuarial loss recognised in STRGL	<u>(359,000)</u>	<u>(297,000)</u>

## Movement in deficit during the year

Deficit in scheme at beginning of year	(324,000)	(51,000)
Current service cost	(60,000)	(58,000)
Contributions	76,000	78,000
Past service costs	-	-
Other financial (costs)/income	(13,000)	4,000
Actuarial loss	(359,000)	(297,000)
Deficit in scheme at end of year	<u>(681,000)</u>	<u>(224,000)</u>



## IRISH BISCUITS (N.I.) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2003

## 13. PENSION COMMITMENTS (continued)

Details of experienced gains and losses for the year:	2003	2002
Difference between the experienced and actual return on scheme assets		
Amount (£)	126,000	(2,490,000)
Percentage of scheme assets	8%	29%
Experienced gains and losses on scheme liabilities		
Amount (£)	(138,000)	1,062,000
Percentage of scheme assets	-6%	12%
Total amount recognised in STRGL		
Amount (£)	(359,000)	(2,427,000)
Percentage of scheme assets	-16%	29%

## 14. DEFERRED TAXATION

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

	2003 £	2002 £
At 1st January 2003	7,141	17,555
Released to profit and loss account	(21,703)	(4,414)
At 31st December 2003 (note 11)	<u>(14,562)</u>	<u>7,141</u>

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

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	<u>(14,562)</u>	<u>7,141</u>

## 15. CAPITAL COMMITMENTS

	2003 £	2002 £
Contracted for but not provided in financial statements	<u>-</u>	<u>-</u>

## 16. FINANCIAL COMMITMENTS

At 31st December 2003 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Assets other than land and buildings	
	2003 £	2002 £
Operating leases which expire:		
Within 1 year	-	23,943
In more than 1 year but not more than 5 years	<u>38,774</u>	<u>64,574</u>
	<u>38,774</u>	<u>78,517</u>

**IRISH BISCUITS (N.I.) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2003****17. SHARE CAPITAL****Authorised share capital:**

	2003	2002
	£	£
5,000 Ordinary 'A' shares of £1.00 each	50,000	50,000
20,000 Ordinary 'B' shares of £1.00 each	20,000	20,000
	<u>70,000</u>	<u>70,000</u>

**Allotted, called up and fully paid:**

	2003		2002	
	No	£	No	£
Ordinary 'A' shares of £1.00 each	25,000	25,000	25,000	25,000
Ordinary 'B' shares of £1.00 each	3,000	3,000	3,000	3,000
	<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 2003.

**9. ULTIMATE PARENT COMPANY**

The company's immediate parent undertaking is W&R Jacob (N.I.) Limited. The smallest group in which the results of the company are consolidated is that headed by W&R Jacob Ltd, incorporated in the Republic of Ireland and as such it avails of certain group financing and administrative arrangements. The consolidated accounts of W&R Jacob Ltd are available to the public and may be obtained from:

Companies Registration Office  
Dublin Castle  
Dublin 2

The company's ultimate parent company is Groupe DANONE, incorporated in France. The largest group in which the results of the company are consolidated is that headed by Groupe DANONE. The consolidated accounts of Groupe DANONE are available from:

Groupe DANONE  
15 Rue Helder  
75009 Paris  
France

**10. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemptions contained in Financial Reporting Standard Number 16 (Related Party Transactions) not to disclose details of transactions with its parent undertaking and its fellow subsidiary undertakings. The company avails of the exemption provided in the Standard on the grounds that it is a wholly owned subsidiary of Group Danone and the consolidated financial statements of Group Danone in which the company is included are publicly available.