

Grace Foods UK Limited

Annual report and financial statements
31 December 2010

Registered number 0094632

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Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2010

Principal Activities and Business Review

Grace Foods UK Limited's (the "company") principal activity during the year was that of a holding company and provider of warehousing and distribution to the WT (Holdings) Limited group of companies

The results for the company show a pre tax loss of £2,590,000 for the year (31 December 2009 £1,241,000 loss)

Principal Risks and Uncertainties

The management of the business and the execution of the company's strategy is subject to a number of risks

There are several contracts and key agency agreements for the supply of key products and services in the UK to which the company is a party and these are managed to ensure that action can be taken to mitigate any risks that arise

Additionally, as a holding company it carries the risk of impairment of it's investment

The company's holding company in the UK has appointed a firm of internal auditors to carry out a program of audits based upon the company's assessment of its business risks and the internal controls that are currently in place

Financial Risk Management

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee. The policies set by the directors are implemented by the company's finance department

The company has implemented policies that require appropriate checks on potential and existing customers before sales are made. The amount of exposure to any individual customer is subject to a limit which is reassessed periodically by the directors, in conjunction with the company's credit insurers

The company uses forward contracts to manage the risk associated with fluctuating exchange rates on its purchases on a group basis. These forward contracts are transacted through a fellow group undertaking

The company uses interest rate swaps to manage the risk associated with fluctuating interest rates on its' senior debt

Future Outlook

The external commercial environment is expected to remain competitive for 2011. However, the directors remain confident that the company will be able to maintain its current level of performance in the future

The company will face challenges arising from the current economic recession which are expected to continue for the foreseeable future. The directors will maintain policies to adapt to these changing conditions and to ensure the company's long term future alongside receiving the continued support from the ultimate parent company

Key Performance Indicators ("KPI's")

The directors of Grace Foods UK Limited, the immediate parent undertaking, consider profitability, working capital and supply chain performance to be the key KPI's within the Group. The Group's operations are managed on an operating company basis using these KPI's. Profitability and working capital performance are deemed to be satisfactory and are shown within the financial statements. Supply chain performance has also been satisfactory in the period

Directors' report (continued)

Dividends

The directors do not recommend the payment of a dividend (31 December 2009 £nil)

Directors

The directors who held office during the year and up to the date of signing these accounts were as follows

J Brennan
E Burton
S Lankage
M Ranglin
D Wehby (appointed 26 February 2010)

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Employees

The directors give full and fair consideration for all applications for employment. They are committed to on-going training and career development of employees.

The directors attach a high priority to maintaining communications with all employees and encouraging a common awareness of the financial and economic factors affecting the company. Regular meetings are held with senior management and employees' representatives, so their views can be taken into account on matters concerning them.

The company's policy is to keep employees informed of events relevant to their employment. Safety matters are the subject of detailed consultation with the employees' representatives.

It is the policy of the company to offer disabled persons, having regard to their particular abilities, the same training, career development and promotion prospects as are available to other employees.

Political and Charitable Donations

The company made no political or charitable donations during the year (31 December 2009 £nil)

Creditor Payment Policy

For all trade creditors, it is the company's policy to

- agree the terms of payment at the start of business with that supplier,
- ensure that suppliers are aware of the terms of payment, and
- pay in accordance with its contractual and other legal obligations

Trade creditor days for the year ended 31 December 2010 were 56.6 days (31 December 2009 53.8 days) based on the ratio of Company trade creditors at the end of the year to the amounts invoiced during the year by trade creditors.

Directors' report (continued)

By the order of the board



A R Martin

Company secretary

29 March 2011

Grace House
Bessemer Road
Welwyn Garden City
Hertfordshire
AL7 1HT

Statement of directors' responsibilities

The directors are responsible for the 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 year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments and accounting 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,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Statement of disclosure of information to auditors

Each director in office at the date the directors' report is approved, that

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By the order of the board



A Martin
Company secretary

29 March 2011

Grace House
Bessemer Road
Welwyn Garden City
Hertfordshire
AL7 1HT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE FOODS UK LIMITED

We have audited the financial statements of Grace Foods UK Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



James French (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
29 March 2011

Profit and loss account

For the year ended 31 December 2010

	Note	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Other operating income		10,972	10,635
Other external charges		(6,114)	(2,282)
Staff costs	4	(3,170)	(3,524)
Depreciation of tangible fixed assets	8	(417)	(417)
Amounts written off investments	7	(3,132)	(4,915)
Operating loss	2	(1,861)	(503)
Interest payable and similar charges	5	(729)	(738)
Loss on ordinary activities before taxation		(2,590)	(1,241)
Tax on loss on ordinary activities	6	246	556
Loss for the financial year	15	(2,344)	(685)

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

The results for the current and preceding year are derived wholly from continuing operations

There is no material difference between the result on ordinary activities before taxation and the result for the year stated above and their historical cost equivalents

Balance sheet

As at 31 December 2010

	Note	31 December 2010 £'000	31 December 2009 £'000
Fixed assets			
Tangible assets	8	2,082	2,459
Investments	7	<u>13,886</u>	<u>17,018</u>
		15,968	19,477
Current assets			
Stock	9	24	37
Debtors	10	<u>54,577</u>	<u>67,592</u>
		54,601	67,629
Creditors, amounts falling due within one year	11	<u>(27,513)</u>	<u>(40,399)</u>
Net current assets		<u>27,088</u>	<u>27,230</u>
Total assets less current liabilities		43,056	46,707
Creditors: amounts falling after due after more than one year	12	<u>(2,253)</u>	<u>(3,560)</u>
Net assets		<u>40,803</u>	<u>43,147</u>
Capital and reserves			
Called up share capital	14	39,938	39,938
Share premium account	15	13,520	13,520
Profit and loss account	15	<u>(12,655)</u>	<u>(10,311)</u>
Total shareholders' funds	15	<u>40,803</u>	<u>43,147</u>

These financial statements on page 5 to 17 were approved by the board of directors on 29 March 2011 and were signed on its behalf by



M Ranglin
 Director

Registered number 0094632

Notes to the financial statements

For the year ended 31 December 2010

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below. The directors believe the going concern basis to be appropriate as the ultimate parent undertaking has agreed to provide sufficient funds for the company to meet its liabilities as they fall due and for at least twelve months. Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of GraceKennedy Limited the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entries which form part of the group. The consolidated financial statements of GraceKennedy Limited, within which this company is included, can be obtained from GraceKennedy Limited, 73 Harbour Street, Kingston, Jamaica.

The principal activity of the company during the year continued to be that of a holding company and provider of management services. Grace Foods UK Limited is a private limited company incorporated and domiciled in England and Wales. The registered address is Grace House, Bessemer Road, Welwyn Garden City, Herts, AL7 1HT.

Taxation

The charge for taxation is based on the profit 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 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.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

Post retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Investments

Investments are stated at cost unless a provision is necessary for any impairment in value. Such provisions are charged to the profit and loss account. Investments are reviewed for impairment if changes in circumstances indicate the carrying value may not be recoverable.

Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to group companies for distribution and administration services. Turnover is recognised at the date on which the services are provided.

Financial guarantee contracts

Where the company enters into financial guarantee contracts to guarantee indebtedness of the other companies within the group, the company considers these to be insurance arrangements, and accounts for them as such. In this respect, the company treats the guarantee as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Fixed assets and depreciation

Tangible fixed assets are valued at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Long leasehold properties	-	over the life of the lease
Plant, equipment, fixtures and fittings	-	10-20% per annum
Vehicles	-	25% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value and consist of finished goods purchased for resale. Where necessary, provision is made for obsolete, slow moving and defective stocks.

2. Operating loss

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Operating loss is stated after charging		
Auditors' remuneration - Audit	27	27
Auditors' remuneration - tax services	26	26
Depreciation of owned tangible fixed assets	417	417
Hire of plant and machinery - rentals payable under operating leases	331	376
Hire of other assets - operating leases	1,037	1,023
Impairment of investments	3,132	4,915
	<u> </u>	<u> </u>

3. Remuneration of directors

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Aggregate emoluments	344	365
Company contributions to money purchase pension schemes	41	33
	<u>385</u>	<u>398</u>

	Number of directors 31 December 2010	31 December 2009
Retirement benefits accruing to the following number of directors under Money purchase schemes	<u>3</u>	<u>3</u>

Notes to the financial statements (continued)

3. Remuneration of directors (continued)

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Highest paid director		
Aggregate emoluments	161	168
Company contributions to money purchase pension schemes	21	15
	<u>182</u>	<u>183</u>

4. Staff numbers and costs

The aggregate recharged payroll cost was as follows

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Wages and salaries	2,836	3,127
Social security costs	237	312
Other pension costs (note 19)	97	85
	<u>3,170</u>	<u>3,524</u>

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

	Number of employees 31 December 2010	31 December 2009
By activity:		
Sales and administration	48	47
Distribution	64	73
	<u>112</u>	<u>120</u>

5. Interest payable and similar charges

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Bank interest payable	678	689
Arrangement fees	51	49
	<u>729</u>	<u>738</u>

Notes to the financial statements (continued)

6. Tax on loss on ordinary activities

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
a) Analysis of credit in year		
Current tax		
UK corporation tax on income for the year	(449)	(725)
Adjustments in respect of prior years	73	5
Total current tax (note 6 (b))	(376)	(720)
Deferred tax		
Origination and reversal of timing differences	(273)	164
Change in tax rates or laws	58	-
Provision for unrecoverable deferred tax	345	-
Total deferred tax (see note 6c))	130	164
Tax on loss on ordinary activities	(246)	(556)

b) Factors affecting the tax charge for the current year

The current tax credit for the year is higher (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before taxation	(2,590)	(1,241)
Current tax at 28% (2008 28 5%)	(725)	(348)
<i>Effects of</i>		
Expenses/(income) not deductible/(taxable) for tax purposes	447	(216)
Adjustments in respect of prior years	73	5
Accelerated capital allowances	66	(78)
Other timing differences	(237)	(83)
Total current tax credit (see above)	(376)	(720)

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
c) Deferred tax		
At 31 December 2009	1,196	1,360
Transferred from group companies	364	-
Charge for the year	215	164
Provision for unrecoverable deferred tax	(345)	-
At 31 December 2010	1,430	1,196

Notes to the financial statements (continued)

6. Tax on loss on ordinary activities (continued)

The deferred tax asset at 31 December 2009 and 31 December 2010 relates to tax losses carried forward

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. The Finance (No. 2) Act 2010, which was substantively enacted on 20 July 2010, included legislation reducing the main rate of corporation tax from 28% to 27% from 1 April 2011 and deferred tax has been provided accordingly. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. These changes had not been substantively enacted at the balance sheet date and, therefore, are not reflected in these financial statements.

7. Investments

	Shares in group companies £'000	Unquoted trade Investments £'000	Total £'000
Cost			
At 1 January 2010	24,678	197	24,875
Acquisitions	-	-	-
At 31 December 2010	<u>24,678</u>	<u>197</u>	<u>24,875</u>
Provisions for impairments			
At 1 January 2010	7,857	-	7,857
Impairment in year	3,132	-	3,132
At 31 December 2010	<u>10,989</u>	<u>-</u>	<u>10,989</u>
Net book value			
At 31 December 2010	<u>13,689</u>	<u>197</u>	<u>13,886</u>
At 31 December 2009	<u>16,821</u>	<u>197</u>	<u>17,018</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Unquoted trade investment

The company holds 6% of the share capital of Renuka Agrifoods Limited (formerly Coco Lands Limited) registered in Sri Lanka under a joint venture agreement.

Details of the investments in which the company holds 20% or more of the beneficial interest in the nominal value of any class of share capital are as follows:

Principal subsidiary undertakings	% ordinary shares held	Nature of business
Enco Products Limited	100%	Distributor of speciality food
Chadha Oriental Foods Limited	100%	Distributor of oriental food
Funnybones Foodservice Limited	100%	Distributor of American, Cajun and Tex-Mex dishes
WTF Services Limited	100%	Dormant

All of the subsidiary undertakings are incorporated in England and Wales.

Notes to the financial statements (continued)

8 Tangible assets

	Long leasehold properties £'000	Plant, equipment, fixtures and fittings £'000	Vehicles £'000	Total £'000
Cost				
At 1 January 2010	1,942	3,181	73	5,196
Additions	-	40	-	40
Disposals	-	(8)	(55)	(63)
At 31 December 2010	<u>1,942</u>	<u>3,213</u>	<u>18</u>	<u>5,173</u>
Accumulated depreciation				
At 1 January 2010	647	2,020	70	2,737
Charged in the year	77	338	2	417
Disposals	-	(8)	(55)	(63)
At 31 December 2010	<u>724</u>	<u>2,350</u>	<u>17</u>	<u>3,091</u>
Net book value				
At 31 December 2010	<u>1,218</u>	<u>863</u>	<u>1</u>	<u>2,082</u>
At 31 December 2009	<u>1,295</u>	<u>1,161</u>	<u>3</u>	<u>2,459</u>

9. Stock

	31 December 2010 £'000	31 December 2009 £'000
Raw materials and consumables	<u>24</u>	<u>37</u>

10. Debtors

	31 December 2010 £'000	31 December 2009 £'000
Amounts owed by group undertakings	52,178	65,373
Prepayments and other accrued income	969	1,023
Deferred taxation (note 6c)	1,430	1,196
	<u>54,577</u>	<u>67,592</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

Notes to the financial statements (continued)

11. Creditors: amounts falling due within one year

	31 December 2010 £'000	31 December 2009 £'000
Bank loans and overdrafts	5,472	5,033
Trade creditors	948	794
Amounts owed to group undertakings	20,701	33,881
Taxation and social security	268	464
Other creditors	124	227
	<u>27,513</u>	<u>40,399</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

12 Creditors: amounts falling due after more than one year

	31 December 2010 £'000	31 December 2009 £'000
Bank loan	2,220	3,540
Other	33	20
	<u>2,253</u>	<u>3,560</u>
In one year or less	1,320	1,320
In more than one year, but not more than two years	1,353	1,340
In more than two years, but not more than five years	900	2,220
In more than five years	-	-
	<u>3,573</u>	<u>4,880</u>

£1,320,000 (December 2009 £1,320,000) is included within Creditors amounts falling due within one year as part of bank loans and overdrafts

The bank loan is payable in equal quarterly instalments and carries interest at LIBOR plus 3% and is secured by a fixed and floating charge over all assets and uncalled share capital, both present and future

13. Contingent liabilities

At 29 August 2007, the company, together with the parent undertaking and fellow subsidiary undertakings has guaranteed the borrowings of the parent undertaking and other fellow subsidiary undertakings. The guarantee secured by a fixed and floating charge over the assets of the company. At 31 December 2010, the total borrowings outstanding amounted to £9,779,000 (31 December 2009 £12,300,000)

Notes to the financial statements (continued)

14 Called up share capital

	31 December 2010 £'000	31 December 2009 £'000
<i>Authorised</i>		
Equity 220,386,208 ordinary shares of £0.25 each	55,097	55,097
6,957,780 non voting deferred convertible shares of 0.05p each	3	3
	<u>55,100</u>	<u>55,100</u>
<i>Allotted and fully paid</i>		
Equity 159,753,511 ordinary shares of £0.25 each	<u>39,938</u>	<u>39,938</u>

The deferred convertible shares were established in 1997 to enable directors and full-time employees with the group to acquire by subscription or purchase deferred shares which are convertible into ordinary shares upon the attainment of certain performance criteria by the Group. In January 1999, the remuneration committee decided that no further deferred shares would be issued under the scheme and the last possible date for conversion was 31 March 2002. After that date, the company may buy the deferred shares at par.

15. Reserves

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2010	39,938	13,520	(10,311)	43,147
Loss for the financial year	-	-	(2,344)	(2,344)
At 31 December 2010	<u>39,938</u>	<u>13,520</u>	<u>(12,655)</u>	<u>40,803</u>

16. Reconciliation of movement in shareholders' funds

	31 December 2010 £'000	31 December 2009 £'000
Loss for the financial year	(2,344)	(685)
Opening shareholders' funds	43,147	43,832
Closing shareholders' funds	<u>40,803</u>	<u>43,147</u>

Notes to the financial statements (continued)

17. Commitments

Annual commitments under non-cancellable operating leases are as follows

	31 December 2010		31 December 2009	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
Within one year	-	153	-	5
In the second to fifth years inclusive	911	116	-	286
Over five years	-	-	911	-
	911	269	911	291

18. Derivative financial instruments

The mark to market valuations of the outstanding interest rate swaps at 31 December 2010 and 31 December 2009 are as follows -

	31 December 2010 £'000	31 December 2009 £'000
Interest rate swaps - liabilities	(563)	(740)

The group uses derivatives to manage the risk associated with fluctuating interest rates on its long term borrowings

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2010 were £7,052,000 (as at 31 December 2009 £8,239,000)

At 31 December 2010, the fixed interest rates are 5.75% (at 31 December 2009 - 5.75%) and the main floating rates are EURIBOR and LIBOR

19. Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £97,000 (31 December 2009 £85,000)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year included in creditors

20. Ultimate parent company and controlling party

The immediate parent undertaking is WT Tiger 3 Limited, incorporated in the UK

The ultimate parent company and controlling party is GraceKennedy Limited

The smallest and largest group in which the results of the company are consolidated is that headed by GraceKennedy Limited, incorporated in Jamaica. The consolidated accounts of this company are available to the public and may be obtained from Chief Corporate Secretary, GraceKennedy Limited, 73 Harbour Street, Kingston, Jamaica