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FOODSERVICE GROUP

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Annual Report and Accounts 2004

Report of the directors

The directors present their report together with the financial statements of the Company for the year ended 31st December 2004.

Principal activities and business overview

Aga Foodservice Group plc is the holding company of the Group and its principal trading subsidiaries and their activities are shown on page 58. An overview of the activities and a business review of the Group and its principal businesses is shown on pages 4 to 13.

Acquisitions and disposals

The acquisitions made and increased interests during the year were:

August 2004	La Cornue SA (range cookers – France)
September 2004	Pavailler (bakery equipment manufacturer – France)
November 2004	Ming Fai (refrigeration equipment manufacturer & distributor – China and Hong Kong – increased holding to 100%)

The above acquisitions in 2004 have been accounted for in accordance with accounting standard FRS 6. Details relating to fair value of net assets acquired and consideration paid are set out in note 23 to the accounts on page 55. There were no disposals during the year.

Results and dividends

The profit attributable to shareholders for the financial year was £23.4m (2003: £22.2m). An interim dividend of 2.5p per ordinary share was paid on 1st December 2004. The directors recommend a final dividend of 5.8p per ordinary share payable on 3rd June 2005 to members on the register at the close of business on 29th April 2005, making a total for the year of 8.3p per ordinary share (2003: 7.2p).

Return of capital

At the Annual General Meeting ('AGM') of the Company held on 7th May 2004, the Company was given the authority to make market purchases of up to 12,940,426 of its own shares within the period up to the next AGM on 5th May 2005. During the year to 31st December 2004, a total of 3,955,000 ordinary shares at a weighted average price, excluding transactional costs, of 238p per share were bought back and cancelled. Whilst the company has the authority under its Articles of Association to hold shares in treasury, there are no shares held in treasury at present. As at 18th March 2005, the authority given to the Company at the last AGM remained outstanding in relation to 10,715,426 shares. As a result of the share buy-back programme, the Company expects earnings per share to be enhanced, in both the current period and future years.

Helen Mahy (age 44) joined the board in March 2003. Helen is group company secretary and general counsel of National Grid Transco plc and a member of its executive committee. Previously she was group general counsel and company secretary at Babcock International Group PLC. She is a barrister and an Associate of the Chartered Insurance Institute.

William McGrath (age 46) was appointed chief executive in March 2001. William joined the Group as finance director in October 1997 from Aggregate Industries plc where he had become finance director in 1992. He had previously worked in the investment banking and construction sectors. He is a qualified accountant and a history graduate.

Vic Cocker (age 64) joined the board in July 2000 and became Chairman in February 2004. Vic was chief executive of Severn Trent plc between 1995 and 2000. He chairs WRAP, the government funded company established to develop markets for recycled materials and WaterAid, an international NGO dedicated to water services.

Pam Sissons (age 42) joined the Group in 1999 and was appointed company secretary in October 2004. She is a Fellow of the Chartered Insurance Institute and a business management graduate.

Shaun Smith (age 44) was appointed to the board as group finance director in March 2001. Shaun joined the Group from Marks and Spencer plc in 1989 and worked in treasury becoming the group treasurer in 1999. He is a qualified treasurer and economics graduate.

Paul Dermody (age 59) joined the board in March 2004. Paul is a non-executive director of Majestic Wine PLC and a member of the NHS Estates Better Hospital Food Panel. He was formerly chief executive of De Vere Group Plc, having spent his career with its predecessor Greenalls. He is a chartered management accountant.

Judy George (age 64) was appointed to the board as US retail director in July 2003. Judy founded Domain in 1986, a business acquired by the Group in March 2002. She is currently chief executive of Domain. Judy has written and spoken widely on home fashions and women in business.

John Lovering (age 55) joined the board in March 2003 and chairs the audit and risk committee. John is chairman of Debenhams plc and Fitness First Ltd. He has extensive experience in retailing, operational and financial roles notably with Sears plc and Tarmac plc.

Stephen Rennie (age 51) was appointed to the board in November 2000. Stephen joined the Group in 1979 from Calor Gas and worked in sales and marketing roles before becoming a divisional director responsible for the Group's consumer and foodservice operations in 1998. Stephen has extensive commercial knowledge of the sectors in which the Group operates.

Peter Tom (age 64) joined the board in February 2004. Peter is chief executive of Aggregate Industries plc. During his time there, Peter has helped to develop it into an Anglo-American quarry products business. He is chairman of Leicester Football Club plc (Leicester Tigers).

Report of the directors

Number of 25p ordinary shares	Number of shareholders	% of total shareholders	Number of shares held	% of total shares held
1 – 5,000	7,661	89.74	8,979,660	7.13
5,001 – 50,000	688	8.06	9,669,007	7.68
50,001 – 500,000	141	1.65	23,218,399	18.43
Over 500,000	47	0.55	84,101,956	66.76
Total	8,537	100.00	125,969,022	100.00

Company's shareholders

At 31st December 2004, the Company had 8,537 ordinary shareholders (2003: 8,826). Their holdings are analysed above.

Substantial shareholdings

The following shareholdings are disclosed as having been notified to the Company in accordance with sections 198-208 of the Companies Act 1985 as at 18th March 2005:-

Shareholder	Ordinary shares of 25p each	% of issued share capital
Aviva plc	16,276,420	12.90
Cazenove Capital Management	7,900,000	6.26
Standard Life Investments	6,022,670	4.77
Framlington Investment Management Ltd	5,087,750	4.03
Legal & General Investment Management Ltd	4,790,000	3.80
GAM Fund Management Ltd	4,382,000	3.47
M&G Investment Management Ltd	3,921,084	3.11

Annual General Meeting

The AGM of the Company will be held at the Britannia Suite, The National Motorcycle Museum, Coventry Road, Bickenhill, Solihull B92 0EJ on Thursday 5th May 2005 at 12 noon. The notice convening the AGM is set out on pages 61–62. The shareholders will be asked to give the power to the directors to allot shares, to disapply the pre-emption requirements of section 89 of the Companies Act 1985 and to give the power to the directors to make market purchases of ordinary shares in the capital of the Company, subject to certain conditions.

Directors and re-election

The current directors of the Company and their biographies are set out on pages 14–15; directors' remuneration is set out on page 23, interests of the directors in the share capital of the Company and other securities is set out on page 26.

During the year, Kit Farrow and Tony Wilson retired as non-executive directors on 31st January 2004 and 7th May 2004, respectively. Peter Tom and Paul Dermody were appointed by the board as non-executive directors on 1st February 2004 and 12th March 2004, respectively, and were duly elected by the shareholders at the AGM on 7th May 2004.

In accordance with the Company's Articles of Association, Stephen Rennie, John Lovering and Helen Mahy retire by rotation, and being eligible, offer themselves for re-election. Following a formal performance evaluation, the Board recommends that Stephen Rennie, John Lovering and Helen Mahy should be re-elected for a further period of three years as they continue to demonstrate a commitment to the role and have appropriate skills and experience (as outlined in their biographical details on pages 14–15) which contribute to a balanced board membership.

Directors' remuneration report

Resolution 6 in the notice of AGM asks shareholders to receive and adopt the directors' remuneration report, set out on pages 22–27.

Auditors

The Company's auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Resolution 7 set out in the notice of AGM proposes that PricewaterhouseCoopers LLP should be reappointed as the Company's auditors and resolution 8 authorises the directors to determine their remuneration.

Share capital

Three resolutions relating to share capital are set out in the notice of AGM.

Resolution 9 will be proposed as an ordinary resolution, to authorise the directors (pursuant to section 80 of the Companies Act 1985) to allot ordinary shares in the capital of the Company up to a maximum of £10,513,842 being one-third of the nominal value of the ordinary shares in issue. The directors will exercise such authority to allot shares only when satisfied that it is in the interests of the Company to do so. The directors have no present intention of exercising this authority.

Report of the directors

Resolution 10 will be proposed as a special resolution, to permit the directors (pursuant to section 95 of the Companies Act 1985) to allot ordinary shares for cash without offering them pro-rata to existing shareholders as otherwise required by section 89 of the Companies Act 1985. The authority sought is limited to issues of ordinary shares in the capital of the Company for cash up to a maximum aggregate nominal amount of £1,577,076, representing 5% of the nominal value of the ordinary shares in issue.

Resolution 11 will be proposed as a special resolution, to seek authority from shareholders to permit the Company to purchase up to 12,616,611 of its own shares representing 10% of the ordinary shares of the Company currently in issue (pursuant to section 166 of the Companies Act 1985). The board has decided to continue to undertake a limited share repurchase programme under the authority given by this resolution. The maximum price payable for any shares purchased will be 105% of the average of the middle-market quotation of the Company's shares as derived from the London Stock Exchange Daily Official List preceding the day on which the ordinary shares are purchased (exclusive of transactional costs). The authority will only be exercised if the directors believe that to do so would result in an increase in the earnings per share and would be in the best interest of the shareholders generally.

As of 18th March 2005, there were outstanding options over 4,873,329 ordinary shares, representing 3.86% of the Company's issued ordinary share capital. If the authority under resolution 11 were to be exercised in full and the repurchased shares cancelled, this would increase to 4.29%.

Research & development

Research and development has an increasingly important role in the Group, with product innovation a key feature of the Group's strategy. Each operating business has its own development department close to its production facility to encourage rapid response times. The Company capitalises certain development spend under SSAP 13. During the year, the Group capitalised expenditure on research and development of £2.8m (2003: £2.7m).

Creditor payment policy

The Group agrees terms and conditions with suppliers before business takes place and has a policy of paying agreed invoices in accordance with the terms of payment. This is subject to the supplier complying with the terms and conditions including the prompt and complete submission of all specified documentation. Individual operating businesses within the Group are responsible for establishing appropriate policies with regard to the payment of their suppliers. Trade creditors at the year end equated to 81 days of related purchases (2003: 75 days).

Employee involvement

The Group has a policy of actively communicating information to employees concerning factors affecting their interests in the development of the Group and ensuring their appropriate involvement. Further details are provided in the Corporate Responsibility section on pages 27 to 30.

Disabled persons

Appropriate consideration is given to disabled applicants in terms of employment. Furthermore, career development opportunities and training for disabled persons is available as appropriate, with attention paid to the particular needs of individuals who become disabled in employment.

Political and charitable donations

The Group made charitable donations of £26,422 during the period (2003: £40,127). The principal beneficiaries were organisations concerned with medical research, palliative care and local community issues including the arts and sport. Neither the Company nor any of its subsidiaries made any donations for political purposes in either 2003 or 2004.

Capital gains tax

The official price of Aga Foodservice Group plc ordinary shares on 31st March 1983, adjusted for bonus issues made in 1986 and 1988, was 62.4p.

By order of the board
P M Sissons
Secretary
Solihull
18th March 2005

P.M. Sissons

Corporate governance

The board is accountable to the Company's shareholders for good governance and the information and statements below describe how the Company applies the main and supporting principles and provisions identified in the Combined Code (2003) "the Code".

Statement of compliance

The Company complied with the best practice guidelines set out in Section 1 of the Code throughout the year.

The board has considered and implemented, where appropriate, the guidelines on Corporate Social Responsibility (CSR) issued by the Association of British Insurers. The board takes full responsibility for CSR and it is included in the risk management process.

Board membership

The board of directors comprises a non-executive chairman, four executive directors and a further four independent non-executive directors. The board considers that this balance means that no individual or small group of individuals can dominate the board's decision making. The directors' biographies are shown on pages 14–15 and in accordance with the Company's Articles of Association, all directors offer themselves for re-election at least every three years.

The roles of the chairman and chief executive are separate and are clearly defined and the division of responsibilities between them is set out in writing and will be reviewed by the board during 2005. John Lovering succeeded Vic Cocker as the senior independent director in February 2004, following Vic Cocker being appointed chairman of the board on the retirement of Kit Farrow on 31st January 2004.

The board considers that all the non-executive directors are independent as defined by the Code and as such provide a good balance for the proper governance of the Company, with all directors making decisions objectively and in the interests of the Company to ensure the interests of shareholders and relevant stakeholders in the Company are safeguarded.

Role of the board

The board is collectively responsible for setting the Company's strategic direction, values and standards. The board promotes the success of the Company and provides leadership within a framework of prudent and effective controls that enable risk to be managed and mitigated. The board ensures that adequate financial and human resources are made available to ensure these objectives are met.

The chairman is primarily responsible for the leadership and effective functioning of the board, ensuring there is appropriate communication with shareholders and constructive relationships between the non-executives and executives. The chief executive is responsible for implementing the board's strategies and operational performance. The executive directors undertake frequent visits to business units to monitor business performance, day to day management and operational issues and report regularly to the board.

The board has a formal schedule of matters reserved for its decision, which was reviewed during 2004, covering overall corporate strategy, acquisition and divestment policy, major items of capital expenditure, treasury policy, approval of annual budgets, establishment of board committees and setting the terms of reference thereof and other matters of strategic importance to the Group. Certain matters have been delegated to the Chief Executive's Committee (which comprises the executive directors) which meets as required to conduct business within defined limits outwith the schedule of matters reserved for the board.

Board procedures

The board met formally on seven occasions during 2004 and individual attendance at board and committee meetings is set out in the table on page 19.

In addition, the chairman communicates frequently with the non-executive and executive directors. Non-executives are encouraged to discuss any issues or concerns with the chairman at any time throughout the year. Directors are encouraged to ensure that any concerns that are unresolved are formally minuted.

During 2004, the chairman and the other non-executives held one formal meeting, without their executive colleagues being present, ahead of the strategy and succession planning reviews and to discuss the board performance evaluation. An annual formal and rigorous performance evaluation of the board, its committees and individual directors was conducted during the year. This consisted of a detailed questionnaire completed by all the directors, including a free format element where the directors had the opportunity to provide additional comments and suggestions. The senior independent director discussed the performance of the chairman with the non-executive directors. The chairman arranged individual interviews with the non-executive directors to review individual performance. The findings of the evaluations were discussed by the chairman and the senior independent director and with the board as a whole. Some recommendations aimed at improving further the efficient functioning of the board and to improve communication with shareholders were identified. For example, a formal rolling business agenda

Corporate governance

was introduced and a presentation on the business will be made to shareholders at the next AGM.

The company secretary reports to the chairman and in conjunction with the chairman, is responsible for ensuring good information flows within the board and its committees, and making sure that all directors receive accurate, timely and clear information.

To enable the board to perform its duties effectively, all directors have full access to relevant information and to the company secretary, who with the chairman, is responsible for the proper conduct of board procedures and advising the board on governance matters. The appointment and removal of the company secretary is a matter reserved for the board. In accordance with best practice, Shaun Smith, the finance director, relinquished his additional role as company secretary in October 2004 and Pam Sissons, the deputy company secretary, was appointed as his successor.

To assist with the independent conduct of their function, the non-executive directors are able to obtain professional advice at the Company's expense, if required, in connection with their duties, and a process is in place to facilitate this.

All directors are suitably qualified, trained and experienced so as to be able to participate fully in the work of the board. Appropriate induction and training is available to all directors on appointment and on an ongoing basis as required. The non-executive directors are encouraged to undertake site visits, in addition to board meetings held at operating units during the year. They receive presentations from local management and principal advisers to develop their understanding of the business. The Company arranges appropriate directors' and officers' liability insurance.

The board has delegated certain of its governance responsibilities to the Audit & Risk, Nomination and Remuneration Committees which comprise solely independent non-executive directors. The chairman of the board chairs the Nomination Committee. The committees report to the board, which ratifies decisions as appropriate. The terms of reference of the committees, reviewed in January 2004, are available on the Group's website (www.agafoodservice.com) or are available on request in writing from the company secretary.

Audit & risk committee

The audit and risk committee membership comprises Helen Mahy, Peter Tom and Paul Dermody and is chaired by John Lovering, who is considered by the board to have significant recent and relevant financial experience. Executive management, the Group's internal and external auditors and other persons may be invited to attend meetings as deemed appropriate by the committee chairman.

The committee provides support to the board by monitoring the integrity of the interim and annual financial statements, including the review of significant financial reporting judgements contained in them. The committee ensures financial statements and announcements comply fully with the relevant statutes and accounting standards and present a balanced and understandable assessment of the Company's position and prospects.

The committee reviews the effectiveness of internal financial controls and risk management systems. The head of internal audit reports to the finance director and has direct access to the chairman of the committee. The committee monitors and reviews the effectiveness of the Company's internal audit function and ensures that it is

Name	Board	Audit & Risk Committee	Nomination Committee	Remuneration Committee
V Cocker	7	n/a	2	n/a
W B McGrath	7	n/a	n/a	n/a
S Rennie	7	n/a	n/a	n/a
S M Smith	7	n/a	n/a	n/a
J A George	5	n/a	n/a	n/a
J D Lovering	5	3	1	1
H M Mahy	7	3	2	3
P W G Tom (appointed February 2004)	6	3	0	2
P B Dermody (appointed March 2004)	5	2	0	2
C J Farrow (retired January 2004)	1	n/a	1	n/a
A J Wilson (retired May 2004)	2	n/a	1	n/a
Number of meetings during the year	7	3	2	3

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adequately resourced. The committee receives regular reports from the internal auditors detailing their findings and recommendations. During the year the committee approved a new risk based approach to internal audit procedures and will monitor its progress and effectiveness on an ongoing basis.

The committee annually reviews the Company's arrangements under which employees may in confidence raise any concerns regarding possible wrongdoing or misdemeanours in financial or other matters. Such matters are subject to independent investigation and appropriate follow-up action is reported fully to the committee. Further details on the whistleblowing policy in place are detailed on page 28.

The committee recognises that there are occasions when it is advantageous to use its external auditor to undertake additional non-audit services, when they are best placed to do so. The committee has developed a formal policy to help ensure the independence and objectivity of the external auditors is not compromised. The policy states that non-audit fees paid to the principal auditors should not exceed 250% of the audit fee, except in the case of a significant event. The chairman of the audit and risk committee is required to authorise non-audit work above a pre-agreed threshold. Note 3 to the accounts provides a breakdown of 2004 audit and non-audit fees and prior year data.

External auditors

The external auditors are invited to attend all audit and risk committee meetings. The committee members, directors and executive management have direct access to the external auditors throughout the year, to seek advice or raise any issues or concerns. The external auditors consider the systems of internal financial control, to the extent necessary to express their audit opinion.

Whilst the possibility of re-tendering is kept under review, the committee confirms that it is satisfied with the level of fees, independence, objectivity and effectiveness of the external auditors. Resolution 7 will propose the reappointment of PricewaterhouseCoopers LLP as auditors to the Company at the forthcoming AGM.

Remuneration committee

The remuneration committee membership comprises John Lovering, Helen Mahy and Paul Dermody and is chaired by Peter Tom. The report of the remuneration committee is set out on pages 22 to 27.

Nomination committee

The nomination committee membership comprises John Lovering, Helen Mahy, Peter Tom and Paul Dermody and is chaired by Vic Cocker.

The committee is responsible for ensuring there is a formal and transparent procedure for the nomination of directors and committee members and makes recommendations to the board on the appointment and reappointment of directors to ensure that the board is of an appropriate size and composition and provides a balance of skills, knowledge and experience. Prior to any nomination, the committee prepares a description of the role, desired skills and capabilities required for a particular appointment. Candidates from a wide variety of backgrounds are considered and the committee would consider the use of external search consultants and advertising, as appropriate.

The committee encourages candidates to carry out due diligence on the Company and informs individuals of the anticipated time and commitment necessary to successfully fulfil the role.

As disclosed in last year's report, Kit Farrow did not attend the meeting at which his successor was appointed and Vic Cocker was not present whilst the committee discussed his nomination. There have been no new appointments since disclosure in the 2003 annual report, where details of the formal procedures followed to nominate the new chairman and non-executives were disclosed.

Non-executive directors are appointed for an initial three-year term pursuant to a standard letter of appointment, which is available for viewing at the Company's registered office during normal business hours or at the AGM.

The committee ensures that all directors receive induction information on joining the board and regular updates appropriate to the business throughout the year. The Company provides resources for developing and updating its directors' knowledge and capabilities as required.

During the year the committee in conjunction with the board reviewed succession planning for the board and senior management positions within the Group and the framework is being developed to manage issues promptly and effectively. The Company also conducts succession planning reviews at appropriate management levels to identify development potential, training needs, resource and skill shortages.

Changes to directors' commitments are reported to the board as they arise and are considered on their individual merits.

Relations with shareholders

The board as a whole is responsible for ensuring that there is a dialogue with shareholders. The Company reports formally twice per annum with preliminary results

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announced in March and interim results in September. The directors give presentations of these results to the Company's institutional investors, analysts and the media, with these presentations being available on the corporate website. The directors maintain a close dialogue with institutional investors on the Company's performance, governance, plans and objectives via a regular programme of meetings. Feedback is regularly reported to the board including analysts' and brokers' comments and shareholder views.

The chairman, senior independent director and other non-executive directors make themselves available to meet with shareholders at informal events organised by the Company and will attend other meetings when requested. The non-executive directors may be contacted by e-mail (nonexec@agafoodservice.com). The chairman communicated directly with shareholders during the year, but no specific meetings were requested with the senior independent director or the other non-executive directors during 2004.

Notice of the AGM and related papers are sent to shareholders at least twenty working days before the meeting, and separate resolutions are proposed on each substantially separate issue.

The AGM is considered by the board to be a primary opportunity to communicate with the Company's private shareholders. The chairmen of the board, audit & risk, nomination and remuneration committees are available to answer questions together with their fellow directors. Shareholders attending the meeting are entitled to ask questions and meet the directors informally after proceedings have ended. The level of proxy votes cast, with the balance for and against each resolution together with the level of abstentions are announced to the meeting following voting on a show of hands. Proxy votes are on the basis of one share one vote. Confirmation of the proxy votes are made available on the corporate website after the AGM and are available on request in writing from the company secretary.

The Company has introduced a facility to enable proxy votes to be cast electronically. Shareholders are encouraged to receive a copy of the report and accounts electronically and register to vote electronically if they so wish. Further details are available in the notice of meeting on page 62.

In annual and interim reports, AGM statements, results presentations and Stock Exchange announcements, the Company seeks to present an accurate and objective view in a style and format appropriate for the intended audience. Shareholders may contact our investor relations' personnel at the corporate office in Solihull as detailed on page 63 or by e-mail to ir@agafoodservice.com with any questions, issues or concerns.

Internal control and risk management

The board confirms that it has established procedures necessary to comply with the Code to implement the guidance on internal control issued by the Turnbull Committee and by reporting in accordance with that guidance.

The board is responsible for ensuring that the Group maintains systems of internal controls, including internal financial control, operational and compliance controls and risk management systems and for monitoring the effectiveness of these controls.

There are regular meetings of the board and the audit and risk committee to ensure that risk management and internal control are considered on a regular basis throughout the year and are subject to continuous review and development. This includes consideration of corporate social responsibility matters as outlined in the report on pages 27 – 30. At business unit level, there are regular management and board meetings to review all aspects of the Group's business, including those where there are potential risks to the Group. All operating businesses have quarterly reviews with the executive directors to discuss strategy, business performance and significant risks. Key procedures include planning, budgeting and investment appraisal. Feedback is provided to the board.

The board has reserved, for its own approval, those major decisions significant to the strategy and operation of the Group as a whole. These include the short and medium term strategy, major capital investments and restructuring costs, acquisitions and divestments, post-investment performance review and treasury policy.

The internal and external auditors report regularly to management, the audit and risk committee and the board on their activities, findings and recommendations. A control structure is in place with defined delegated authorities for management throughout the Group and clear approval requirements for decisions which have a major financial implication for the business units concerned. Continual monitoring of systems of internal financial control is the responsibility of all management teams.

There is an ongoing process for identifying, evaluating and managing significant risks across the Group. Risk reviews are carried out at each business unit, taking into account the likelihood of occurrence and the degree of impact. Risks considered include operational and financial contingencies, legal and regulatory compliance and social, environmental and ethical issues. The

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process identifies both short and long term risks.

The directors confirm that they have conducted a specific annual review of the effectiveness of the Group's systems of internal control and risk management in respect of the financial period and up to the date of this report. Systems of internal control are designed to provide reasonable, but not absolute assurance, to safeguard shareholders' investments, the Group's assets and ensure that financial information and accounting records are reliable. Grange, an associate of the Group, is not dealt with as part of these internal control procedures.

Risk factors

This process has identified a series of risks where action plans have been developed to eliminate, minimise or mitigate these risks, but the board considers that there are no specific risks which might have a material impact on the business.

Directors' responsibilities for the financial statements

The directors are required to prepare financial statements for each financial year which comply with the provisions of the Companies Act 1985 and give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit and loss for that year.

After making enquiries, the directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. In preparing the financial statements on pages 31 to 58 on a going concern basis, the directors consider that the Company and the Group have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors are responsible for ensuring that the Company and the Group maintain accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the corporate website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Remuneration report

This report has been prepared by the remuneration committee on behalf of the board in accordance with the requirements of the Directors' Remuneration Report Regulations 2002 and the Listing Rules of the Financial Services Authority. The Company has complied throughout the year under review with the provisions of the Combined Code (2003) on Directors' Remuneration. In accordance with the Regulations, resolution 6 invites the members to receive and adopt the remuneration report for the financial year ended 31st December 2004. The information contained in this report is not subject to audit unless it is marked with an asterisk *, in which case the information contained in the table or specific section of the report is subject to audit.

Committee's role

The committee provides advice and recommendations to the board regarding the framework for executive remuneration, taking into account the level and structure of remuneration of senior management and pay and conditions elsewhere in the Group. The committee also draws comparisons with other companies of a broadly similar size and range of activities. The committee is authorised to take advice from independent remuneration consultants and other advisers, as appropriate.

Since November 2002, Hewitt Associates have advised the committee and provided independent external advice. This included a full review of executive remuneration policy and on this basis established a salary and bonus package for the executive directors which would represent a competitive level taking account of the experience of executive directors and the Group's strategic and operational objectives. In continuing to advise the committee, Hewitt Associates

Remuneration report

*	Salary £000	Fees £000	Salary in lieu of pension above earnings cap £000	Benefits in-kind £000	Annual bonus £000	2004 Total £000	2003 Total £000
W B McGrath	375	–	60	25	113	573	478
S Rennie	287	–	–	2	80	369	305
S M Smith	235	–	25	2	65	327	262
J A George	183	–	–	10	27	220	105
V Cocker	–	73	–	–	–	73	25
J D Lovering	–	27	–	–	–	27	20
H M Mahy	–	27	–	–	–	27	20
P W G Tom (appointed February 2004)	–	25	–	–	–	25	–
P B Dermody (appointed March 2004)	–	22	–	–	–	22	–
C J Farrow (retired January 2004)	–	6	–	–	–	6	75
A J Wilson (retired May 2004)	–	9	–	–	–	9	25
B A Nielsen (resigned January 2003)	–	–	–	–	–	–	2
Total	**1,080**	**189**	**85**	**39**	**285**	**1,678**	1,317

- *Judy George's remuneration is paid by Domain Inc, a subsidiary company in the US. Exchange rate £1 = $1.83.*
- The salary figures for S Rennie and S M Smith include a cash allowance in place of company car and fuel.
- Benefits in kind comprise car, fuel, private health care and life assurance.
- There were no taxable expenses in 2003 & 2004 for any directors.

updated their initial guidance note in 2004 and assisted with the total shareholder return (TSR) performance measurement.

The committee consults the chief executive and chairman in relation to the remuneration of other executive directors. Neither the chairman nor the executives are involved in deciding their own remuneration.

Remuneration policy

The remuneration committee is responsible for ensuring that the remuneration of executive directors is sufficient to attract, retain and motivate talented and successful executive directors. The committee determines the contracts of service, including emoluments, of the executive directors, the company secretary and the fees of the chairman. The board as a whole reviews the fees of the non-executive directors.

Executive directors' emoluments comprise annual salary, a discretionary annual bonus, personal pension plans, participation in long-term incentive plans and other benefits, including car allowances and private health insurance. The committee takes into account performance, both individual and corporate, with a view to structuring rewards over the short, medium and long term. Published market data is taken into account in setting salary and benefits packages. The committee maintains dialogue with shareholder representatives and monitors developments in best practice.

The committee has considered how remuneration arrangements should be developed to align it more closely with shareholders' interests.

The structure of remuneration for each of the executive directors under the policy (excluding pensions) comprises base salary and other benefits totalling 60% of remuneration and short, medium and long term cash and share based incentives, totalling 40% of remuneration (for on target performance).

Remuneration in 2004

Details of the individual elements of remuneration of each director are set out in the table above.

Basic salary

The committee ordinarily reviews executive directors' salaries during December, taking into account experience, responsibility and performance of the individual. On the basis of the advice received from Hewitt Associates in 2002, it was agreed that the executive directors' salaries would be increased to an agreed benchmark level over a two-year period. In reviewing basic salary levels for 2005, the committee obtained updated advice from Hewitt Associates which took into account published information from comparable companies. The committee also took into consideration remuneration of senior management in the

Remuneration report

Group. The committee recommended increases of up to 6% for each of the executive directors and the board approved the proposal, with increases coming into effect from 1st January 2005. Only basic salary is pensionable.

Annual bonus

The Company operates a performance related annual bonus scheme for the executive directors. The bonus paid is based on performance measured in three key areas, each contributing to a maximum bonus of 60% of salary. These performance measures comprise improvement in earnings per share on the prior year to budget (awarded on a sliding scale up to 24%); improvement in earnings per share in excess of budget (up to 12%) and progress on a range of parameters, including return on investment targets, increasing sales from cross selling initiatives, risk management objectives and other strategic targets (up to 24%).

Judy George participates in an annual bonus scheme with Domain Inc. where subject to achieving performance against set business objectives a maximum bonus of up to 30% of salary may be awarded. On appointment to the board, it was agreed that Judy George would be eligible for 50% of the Group executive bonus scheme outcome i.e. a maximum bonus of 30%, therefore enabling her to achieve a bonus equal to 60% of salary as per the other executive directors.

Based on the performance criteria outlined, a bonus award of 30% of salary is payable to executives in respect of 2004. Judy George received 15% under the executive bonus scheme but did not receive any bonus award under the 2004 Domain scheme. Details of annual bonuses paid in respect of 2004 are set out in the table on page 23.

Long-Term Incentive Plan (the 'LTIP')

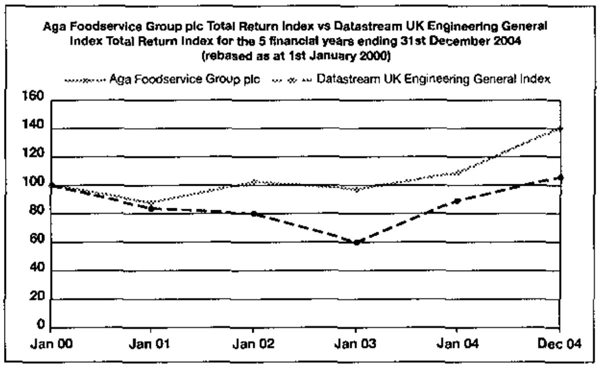
The committee continues to view the LTIP, introduced in 1999, as an appropriate method of long-term incentivisation for executives and senior management. Awards are made up to a maximum annual value of 100% of salary. This provides a balance between short-term and long-term incentive arrangements and also aligns the long-term interests of executives and senior management and shareholders.

The LTIP consists of a right to acquire shares at a nominal price of £1 which will be exercisable after a period of three years at the earliest, based on the achievement of performance criteria set out further below. The actual percentage of shares that can be acquired depends on two performance criteria.

The first of these is, on a comparison of the Company's total shareholder return ('TSR') with the TSR of companies in the engineering-general sector of the FTSE All Share Index. If the Company's TSR places it in the top 25% (upper quartile) of the comparator companies, the participant can acquire all the shares; if the Company's TSR is at the midpoint, 25% of the shares can be acquired; if the Company's TSR is below midpoint, none of the shares can be acquired. There is a sliding scale (on a straight-line basis) if the Company's TSR is between the upper quartile position and the midpoint. No awards were made under the LTIP scheme during 2004. Details of the directors' interests are stated in the table on page 25.

The TSR performance measure has been applied on the basis of best practice and advice provided by external consultants. The Datastream UK Engineering General Index was considered to be the most relevant index for comparison as it has the same classification as the FTSE Engineering General Sub-sector, which constitutes a comparable group of companies to the Company.

Secondly, none of the shares can be acquired unless the remuneration committee determines that there has been a sustained improvement in the underlying financial performance of the Company during the performance period. Participants in the LTIP did not participate in option grants under the Aga Foodservice Group 1994 Senior Executive Share Option Scheme.



Share options*

The Company's senior executive and savings related share option schemes were allowed to lapse in May 2004 whilst the Company considered the most appropriate methods of remunerating, motivating and encouraging employees and also taking into account the changes in accounting rules and best practice. The Company will continue to keep the use of share schemes under review, but in the short-term, remuneration will focus on salary and bonus payments. The Company is not seeking shareholder approval for new schemes at the present time.

No options were granted under the 1994 Senior

Remuneration report

*	Options under the 1994 Senior Executive Share Option Scheme approved in 1994			Options under the Savings-Related Share Option Scheme approved in 1994	Long-Term Incentive Plan approved in 1999 Price shown is at date of award	
	at 288pps	**at 321pps**	**at 225pps**	**at 199pps**	**at 268pps**	**at 235pps**
W B McGrath						
At 1st January 2004	–	175,000	–	8,479	111,940	57,021
granted in 2004	–	–	–	–	–	–
exercised 16th December 2004	–	–	–	8,479	–	–
At 31st December 2004	–	175,000	–	–	111,940	57,021
S Rennie						
At 1st January 2004	75,000	–	–	–	76,492	40,000
granted in 2004	–	–	–	–	–	–
At 31st December 2004	75,000	–	–	–	76,492	40,000
S M Smith						
At 1st January 2004	7,500	–	30,000	–	109,701	31,489
granted in 2004	–	–	–	–	–	–
At 31st December 2004	7,500	–	30,000	–	109,701	31,489
J A George						
At 1st January 2004	–	–	–	–	–	34,214
granted in 2004	–	–	–	–	–	–
At 31st December 2004	–	–	–	–	–	34,214
Option grant date	**2 Apr 97**	**5 May 98**	**21 Sep 99**	**15 Oct 99**	**25 Apr 02**	**13 Oct 03**
Exercisable period	**2 Apr 00 to 1 Apr 07**	**5 May 01 to 4 May 08**	**21 Sep 02 to 20 Sep 09**	**1 Dec 04 to 31 May 05**	**25 Apr 05 to 24 Apr 12**	**13 Oct 06 to 12 Oct 13**

As part of the acquisition of Domain Inc. in March 2002, Judy George has an option to receive 383,446 shares in Aga Foodservice Group plc as part of her deferred cash payment of $1.3m detailed in note 20. The option price is £2.37 and is exercisable on 1st April 2005 subject to continued employment.

Executive Share Option Scheme or the 1994 Savings Related Share Option Scheme during 2004.

The mid-market price of Aga Foodservice Group plc ordinary shares at the beginning and end of the year was 215p and 274p respectively. During the year the market price of the shares ranged between 213p and 278.8p.

The interests of directors at the beginning and end of the 2004 financial year in share options are as stated in the table above.

Shareholding requirement

To ensure that directors' interests are aligned with shareholders, the committee introduced a minimum shareholding requirement for executive directors in December 2004. Executive directors will be expected to build up and maintain a shareholding in the Company with a value of at least one times annual salary, within a period of three years from appointment or introduction of the requirement.

The interests of the directors in shares of the Company shown in the register kept under section 325 of the Companies Act 1985, and all of which are beneficially owned, are stated in the table on page 26.

Pensions

The committee takes into account pension arrangements and associated costs in reviewing remuneration policy.

William McGrath, Stephen Rennie and Shaun Smith are members of a defined benefit pension scheme. For executive directors this provides for a pension of two-thirds of final pensionable remuneration on retirement at normal retirement age with 20 or more years of pensionable service. From 2005, any increase in the

Remuneration report

*	At 18th March 2005	At 31st December 2004 or date of appointment or resignation	At 31st December 2003 or date of appointment
V Cocker	45,000	40,000	10,000
W B McGrath	125,029	121,979	88,500
S Rennie	56,000	56,000	52,500
S M Smith	50,000	45,000	27,500
J A George	17,093	17,093	2,500
J D Lovering	30,000	30,000	20,000
H M Mahy	1,000	1,000	1,000
P W G Tom (appointed Feb 2004)	15,000	10,000	–
P B Dermody (appointed Mar 2004)	10,000	1,000	–
C J Farrow (retired Jan 2004)	n/a	28,500	28,500
A J Wilson (retired May 2004)	n/a	99,308	99,308

pensionable remuneration of senior executives under the scheme will be limited by price inflation. The pensions of William McGrath and Shaun Smith are already subject to the statutory earnings cap and they receive additional salary in lieu of pension on remuneration above the statutory cap as detailed in the table on page 23.

The introduction of the Inland Revenue's simplified tax regime for pension schemes in April 2006 will not have any material consequences for these arrangements, except in the case of Stephen Rennie. If primary protection under the new regime is elected by the member, the recovery charge will be borne by him. Alternatively, if enhanced protection is elected, appropriate additional salary will be paid from April 2006 in lieu of pension.

The increase in the transfer value of the directors' accrued pensions at 31st December 2004, after deduction of contributions paid by them, is shown in the table below. The transfer values shown are not payable to the individuals concerned. During the year the Company paid premiums of £895 and £430 to provide life assurance cover on that part of William McGrath's and Shaun Smith's basic salary above the statutory cap for the year.

Judy George's salary is paid by Domain Inc., a subsidiary company in the US and retirement benefit arrangements are also arranged in the US. The scheme in place is a money purchase plan and all contributions are made by Judy George personally and there are no Company contributions.

External appointments

In certain circumstances, the board believes that it may be beneficial to the Company for executives to hold non-executive directorships outside the Group. Any such appointments are subject to approval by the board and directors are normally restricted to a maximum of two appointments each for which they may retain any fees. Judy George serves as a non-executive director of Daffy's Clothing and is a member of the Sodexho US business advisory board and receives fees of $45,000 in total per annum. None of the other executive directors hold any outside directorships.

Other benefits

Executive directors receive some or all of the following benefits – provision of a company car; car benefit; fuel or cash allowance; private health insurance and life assurance. The Company regularly reviews the benefits and comparisons with other companies are made.

	Directors' Remuneration Report Regulations 2002					Listing Requirements	
*	Accrued pension at 31 Dec 04 £000pa	Increase in accrued pension over the year £000pa	Transfer value of accrued pension at 31 Dec 03 £000	Transfer value of accrued pension at 31 Dec 04 £000	Increase in transfer value over the year, net of director's contributions (note 1) £000	Increase in accrued pension over the year (net of inflation) £000pa	Transfer value of increase in accrued pension over the year, net of director's contributions (note 2) £000
W B McGrath	23	4	162	208	43	3	26
S Rennie	141	19	1,468	1,830	353	16	195
S M Smith	32	3	239	282	40	2	16

note 1 reflects the comparison of the transfer value of the accrued pensions at the start and end of the period.

note 2 reflects the transfer value of the increase in the accrued pension over the period only.

Remuneration report

Remuneration of non-executive directors

The board is responsible for reviewing non-executive directors remuneration and approving changes to the fee structure as appropriate. There had been no increase in the level of fees paid to non-executive directors since 1997 and in view of the increasing time obligations and responsibilities required to fulfil these roles, the fees were reviewed by the board during the course of the year. The board took into account advice provided by Hewitt Associates and published market data. The board approved an increase in fees from £25,000 to £30,000 per annum with effect from 1st July 2004. The committee reviewed the chairman's fees and made a recommendation to the board to increase his fees from £75,000 to £80,000 from 1st July 2004. Fees paid during the year are set out in the table on page 23. No additional fees are paid for attendance or for chairing or being a member of board committees. Non-executive directors are not eligible for pension scheme membership, annual bonus or share options schemes. The non-executive directors' holdings of shares in the Company are as set out in the table on page 26.

Service contracts and compensation

The remuneration committee has established and implemented a policy to align the normal notice period of all the executive directors with the best practice provisions set out in the Code. Accordingly, all the executives' service contracts have a notice period of one year. The committee does not consider it to be in the best interests of shareholders for directors' contracts to provide explicitly for pre-determined compensation in the event of termination and accordingly none of the contracts contains any such provision. However, the principle of mitigation would be applied to reduce any compensation payable to departing directors, with each case being taken on its own merits.

Non-executive directors are appointed for an initial three year term, subject to reappointment by shareholders at the first AGM after their appointment. The terms of engagement of non-executive directors are set out in their letters of appointment and these do not contain provision for termination payments. Details of the directors' contracts and letters of appointment are as set out below:-

Executive	Date of contract	Notice period
W B McGrath	September 1998	12 months
S Rennie	January 1999	12 months
S M Smith	March 2001	12 months
J A George	July 2003	12 months

Non-executive	Letter of appointment	End of period of appointment
V Cocker	June 2000	2007 AGM
J D Lovering	March 2003	2006 AGM (note 1)
H M Mahy	March 2003	2006 AGM (note 1)
P W G Tom	February 2004	2007 AGM
P B Dermody	April 2004	2007 AGM

note 1 - standing for re-election at the 2005 AGM because of rotation requirements.

By order of the board
P W G Tom
Chairman of the remuneration committee
Solihull
18th March 2005

Corporate social responsibility

Introduction

The board recognises the importance of and takes responsibility for corporate social responsibility ('CSR'), which is reviewed as part of the ongoing risk management process.

Over the last three years, the Group has made significant progress in shaping its CSR strategy and improving performance, focusing on the key areas where it can make an impact and on improving reporting in the areas already monitored and where specific targets have been set.

As a supplier of premium cooking and refrigeration equipment to the consumer and commercial foodservice markets, the Group can contribute to healthier eating and improved food quality and hygiene. In addition to embedding CSR within its own operations, the Group therefore sees a key part of its CSR programme as the development of products which can assist its customers in advancing their own CSR performance, through energy efficiency, reduced waste, healthier food, and improved working environments for kitchen staff.

The Group has been working with its commercial customers, regulators and other stakeholders and using its know-how to address these issues. Accordingly, the Group has focused its investment in research and development, resulting in a new generation of products,

Corporate social responsibility

and examples of these initiatives are more fully described below.

Customer & product initiatives

A key part of the Group's CSR programme is the development of products which not only satisfy existing demands, but which also assist our customers to achieve their own environmental, health and safety targets or other aspects of their CSR objectives.

Examples of this during the year include the ongoing development by Williams Refrigeration of highly cost competitive glycol refrigeration systems, with lower running costs and lower heat emissions into kitchens helping to create a better working environment with lower energy use. Victory has received more US Environmental Protection Agency 'Energy Star' accreditations for its refrigeration products than any other company. The Falcon Infinity Fryer was launched in 2004 and is bringing a revolutionary improvement to performance in deep fat frying. It offers major improvements in a number of areas such as energy consumption, oil usage and reduced waste and in the working environment with less heat in the kitchen. In-built filtration also means the equipment is safer to use and easier to clean. The Infinity Fryer has also received 'Energy Star' accreditation in the US and continues to receive acclaim from independent research test houses and for its energy efficiency and reduction in oil usage.

Further details of the Group's initiatives in these areas are available in the separately published CSR Report, on the corporate website, along with the report by CSR Consulting Ltd following research among the UK's investment community, government and corporate sectors on their response to the benefits available from the Infinity Fryer.

The Group's Agalinks website (www.agalinks.com) provides customers, existing and potential, with information on current food standards and related topics.

Statement of core principles

The board makes a clear commitment to operate all its business activities with high standards of business ethics and integrity in its statement of core principles. This was first issued by the chief executive in December 2001, is regularly reviewed, and is available on the corporate website. The statement is supported by appropriate policies in each area. The board has overall responsibility for ensuring that these CSR policies are regularly reviewed and verified, and the chief operating officer is responsible for their implementation.

CSR reporting and benchmarking

The Group published its first CSR Report in April 2004 with details of its policies, procedures and performance, with case study examples describing implementation across the Group. An updated CSR Report will be made available on the corporate website in April 2005.

The Group continues to be a member of the FTSE4Good index and participated in the Business in the Environment Index in 2004. These indices, along with stakeholder consultations and other tools are used to help identify key priorities and benchmark progress.

Employees

The Group's day to day activities are mainly carried out by its operating units and responsibility for employment matters resides primarily with the management at individual businesses. However, the Group requires its operating units to comply with its equal opportunities policy and it does not tolerate harassment in any form. The equal opportunities policy stipulates that operating units throughout the Group must ensure that policy is implemented and that there is equal opportunity of employment, retention, promotion and training regardless of race, ethnic or national origin, gender, marital status, sexual orientation, religion, trade union membership or disability and that appropriate consideration is given to disabled applicants in terms of employment.

Channels of communication appropriate to local operations have been established to enable employees to voice their views and concerns. Employees are kept informed of developments across the Group by a variety of means. These include a Group newsletter, 'The Aga Times', which is updated online and is distributed regularly to employees. In addition, a number of the Group companies have their own newsletters. Business unit management also hold briefing sessions and employees are encouraged to access the Group's websites and the local intranet.

The Group's Code of Conduct for employees outlines the standards of integrity and honest conduct expected. The Group's whistleblowing policy enables all employees to report in confidence any breaches of the Code of Conduct, fraud or any other criminal acts to an external party.

The Group has an established UK Human Resources ('HR') Forum, attended by representatives of the operating businesses. Topics covered at the forum during 2004 included an update on current and future developments in employment law, grievance and disciplinary procedures, managing long-term absence and other current HR issues. There are equivalent HR

Corporate social responsibility

structures in our key businesses in the US and France.

The Group encourages its employees to gain qualifications and consider developing a career in our business sector. The Group particularly encourages young scientists and engineers and operates apprenticeship, work experience and placement schemes. For example, under the UK Government's Young Apprenticeship Scheme, Aga-Rayburn is providing work placement to assist apprentices to achieve an NVQ level 2 in performing engineering operations and a City & Guilds qualification. AFE Serviceline is working with a local university to develop flexible relationships between the business, university and students, involving work placement.

Health, safety and environmental

The Group recognises environmental and health and safety matters as of key importance for its stakeholders and is committed to the continuous improvement of its performance in these areas. Following the success of the Group environmental award in encouraging employees to suggest environmental improvements, from 2005 the Group will have a CSR award to acknowledge the business unit making the most progress in CSR or introducing the most significant new initiative over the previous year.

Underpinning the Group environmental and health and safety policies, detailed policies have been adopted within each of the Group's operations, with business unit managers responsible for their implementation and for keeping all concerned aware of best practice and the statutory frameworks. Policies and practices are reviewed and updated for changes in legislation and employees are made aware of the policies and their responsibility to ensure that these are effectively applied. A designated senior manager at each business unit is responsible for issues at a local level and reports directly to the chief operating officer on these matters.

To help leverage best practice and to drive progress, the Group has a European health, safety and environmental committee which is chaired by Paul Tonks, the Group Health, Safety & Environmental co-ordinator, with a separate co-ordinator, John McGill, responsible for the US business operations. They meet regularly to review standards, set targets for improvement and to promote best practice.

The health, safety and environmental committees have developed a system of internal audits using health and safety specialists to benchmark between operations. During 2004 these audits have been extended to include environmental and other CSR topics and to monitor compliance with the Group's policy statements. External consultants are utilised when specific needs arise.

The Group monitors reportable and non-reportable accidents at all operating units and sets annual improvement targets. All UK businesses are now members of the British Safety Council and the Group benchmarks its UK accident statistics against industry standards. The Group continues to review the most appropriate methods of benchmarking in Europe and the US. In 2004, the Group targeted a reduction in accidents of 10%. Reportable accidents involving three or more days lost time were down by over 10%. Total accident numbers remained stable, but lost time due to accidents increased by 10% including acquired businesses. Further details regarding accident and lost time statistics are available in our CSR Report. The Group continues to target a reduction in all types of accidents in the workplace and during 2005 will focus on manual handling related incidents and on reducing absence from work, to ensure the momentum in improving accident and absence statistics is maintained.

The Group's environmental policy sets out the principles for enhancing environmental performance, minimising impact and for maximising efficiency. This framework forms the basis of detailed policies that are adopted by and are appropriate to the activities of individual businesses. The Group's environmental impact covers a range of areas, such as energy use, water consumption, transport, waste and recycling, arising from our manufacturing processes and general business operations.

The Group monitors key environmental indicators and specific improvement targets are being developed to help minimise the environmental impact of any aspect of the Group's operations. The focus in 2004 was to reduce utility consumption and packaging waste. The Group had targeted a 9% reduction in all areas over a three year period. These targets, and progress in meeting them, are further reported in the Group's CSR Report.

The Group supports the adoption and implementation of environmental management systems at its operating businesses where this is considered to provide added value. The Rangemaster sites at Leamington Spa and Long Eaton were accredited to ISO 14001 in March 2003. Falcon Foodservice and Williams Refrigeration are working towards accreditation. Further information on these and other initiatives can be found in the CSR Report.

During the year, to partially mitigate the effects of the increasing cost of utilities, and to monitor usage, the

Corporate social responsibility

Group has undertaken a review of its procurement policy. All UK manufacturing operations and some of the other businesses are now participating in a Group deal to procure utilities centrally. The review is ongoing with our retail shops and other service businesses considering participating on expiry of their current arrangements.

The Group encourages its employees to suggest improvements to environmental practice and resource efficiency within the Group, and the Chairman's 2004 environmental prize has recently been awarded jointly for a product development initiative at Bongard and an energy saving initiative at Falcon with a one year payback.

A particular success in 2004 has been the retail businesses focus on recycling of packaging. Fired Earth, joint winners of the 2003 Chairman's environmental prize, invested in a baler to recycle cardboard and other materials. Fired Earth has recycled 40 tonnes of cardboard, generating revenues of circa £2,000 and Domain has recycled circa 500 tonnes of cardboard, generating revenues of $8,000.

In addition to the environmental impact of its day-to-day activities, the Group also seeks to minimise the risk of environmental pollution incidents. If such incidents occur, the Group has in place a policy for prompt corrective action to be taken, and where appropriate notification to regulatory authorities. During the year, there were no fines or prosecutions as a result of health and safety or environmental incidents.

Supply chain – ethical trading policy

The board recognises the importance of managing its supply chain to ensure, so far as is practicable, that its direct and indirect suppliers adopt the same core principles as the Group. The Group monitors quality, design and availability of all sourced components and products, to ensure high standards are maintained. The Group introduced an ethical trading policy in 2002 which encompasses a set of global sourcing principles covering fair terms of employment, human rights, health and safety, equal opportunities and good environmental practice. All operating companies are required to review supplier compliance with this policy, monitor any areas of non-conformance and take action where appropriate. As the Group develops and expands, this process is necessarily on-going.

Community involvement

Each operating company and its employees are encouraged to become involved with and to support local community projects, educational establishments, charities and other causes. This support may be via donations, fundraising or personal time and commitment. Our retail businesses have organised events and allowed charities to hold meetings in the Group's outlets. Liaison on community issues is encouraged and comments are logged, responded to and reviewed at Group level.

The Group has worked with and continues to support Birchfield Harriers. Williams has supported the National Fruit and Vegetable Scheme for Schools and has donated refrigerators to local schools. Ming Fai has also donated products to initiatives in China and Hong Kong. In the US, Belshaw supports the Farestart programme in Seattle, which trains the homeless for jobs in the foodservice sector. This involves financial and product donations, equipment maintenance and employee involvement.

Verification

The Group has instituted a regular review of its CSR policies, and since March 2002 has been advised by CSR Consulting Ltd, who assist the Company in evaluating its current policies and procedures and reinforce the Group's commitment to corporate social responsibility. At present the board does not believe that an overall external CSR audit would be appropriate but where significant issues are identified utilises external specialists as necessary.

Group profit and loss account

For the year ended 31st December

	Notes	2004 £m	2003 £m
Turnover			
Continuing operations		**427.9**	
Acquisitions		**7.1**	
Total continuing operations		**435.0**	390.3
Discontinued operations		**-**	2.1
Total turnover	2 & 3	**435.0**	392.4
Operating profit			
Continuing operating profit before goodwill amortisation		**37.5**	33.7
Goodwill amortisation		**(8.0)**	(8.0)
		29.5	25.7
Continuing operations		**29.5**	25.7
Acquisitions	3	**-**	-
Total continuing operations		**29.5**	25.7
Discontinued operations	3	**-**	(0.5)
Group operating profit	2 & 3	**29.5**	25.2
Share of profit from associate		**0.5**	-
Total operating profit		**30.0**	25.2
Disposal of businesses	23	**-**	1.8
Profit before interest and tax		**30.0**	27.0
Net interest receivable	6	**0.6**	0.9
Profit on ordinary activities before tax		**30.6**	27.9
Tax on profit on ordinary activities	7	**(7.1)**	(5.6)
Profit on ordinary activities after tax		**23.5**	22.3
Equity minority interests	22	**(0.1)**	(0.1)
Profit attributable to shareholders		**23.4**	22.2
Dividends	9	**(10.4)**	(9.3)
Profit retained	21	**13.0**	12.9

	Notes		
Earnings per share	10	**p**	p
Basic		**18.4**	17.2
Diluted		**18.3**	17.1
Basic - before goodwill amortisation		**24.7**	23.3

Notes to the accounts are on pages 36 to 58.

Supplementary statements

For the year ended 31st December

Statement of total recognised gains and losses

	Notes	**2004 £m**	2003 £m
Profit attributable to shareholders		**23.4**	22.2
Exchange adjustments on net investments	21	**(3.4)**	(3.2)
Total recognised gains and losses since last annual report		**20.0**	19.0

Note of historical cost profit

	Notes	**2004 £m**	2003 £m
Reported profit before tax		**30.6**	27.9
Realisation of property revaluation gains of previous years		**0.3**	0.6
Historical cost profit on ordinary activities before tax		**30.9**	28.5
Tax on profit on ordinary activities	7	**(7.1)**	(5.6)
Equity minority interests	22	**(0.1)**	(0.1)
Dividends	9	**(10.4)**	(9.3)
Historical cost profit retained		**13.3**	13.5

Reconciliation of movements in shareholders' funds

		Notes	**2004 £m**	2003 £m
Total recognised gains and losses relating to the year			**20.0**	19.0
Dividends		9	**(10.4)**	(9.3)
New share capital subscribed	- share premium	21	**1.0**	–
	- share capital	20	**0.1**	0.1
Purchase own shares	- ordinary shares	20	**(1.0)**	–
	- profit and loss account	21	**(9.4)**	–
	- capital redemption reserve	21	**1.0**	–
Future share scheme issues			**0.3**	0.4
Net increase in shareholders' funds			**1.6**	10.2
Shareholders' funds at 1st January			**281.9**	271.7
Shareholders' funds at 31st December			**283.5**	281.9

Notes to the accounts are on pages 36 to 58.

Balance sheets

As at 31st December

		Group		Company	
	Notes	**2004 £m**	2003 £m	**2004 £m**	2003 £m
Fixed assets					
Intangible assets	11	**136.8**	140.7	**-**	–
Tangible assets	12	**78.6**	73.2	**-**	–
Investments	13	**6.5**	5.8	**855.9**	498.7
Total fixed assets		**221.9**	219.7	**855.9**	498.7
Current assets					
Stocks	14	**70.2**	61.3	**-**	–
Debtors	15	**107.2**	102.7	**289.5**	627.7
Cash at bank and in hand	17	**49.8**	52.0	**31.2**	33.3
Total current assets		**227.2**	216.0	**320.7**	661.0
Creditors – amounts falling due within one year					
Operating creditors	16	**(102.6)**	(88.9)	**(565.5)**	(530.8)
Borrowings	17	**(23.1)**	(2.2)	**(22.6)**	(1.2)
Tax and dividends payable	16	**(9.4)**	(9.5)	**(7.3)**	(6.5)
Total amounts falling due within one year		**(135.1)**	(100.6)	**(595.4)**	(538.5)
Net current assets / (liabilities)		**92.1**	115.4	**(274.7)**	122.5
Total assets less current liabilities		**314.0**	335.1	**581.2**	621.2
Creditors – amounts falling due after more than one year					
Creditors	16	**(0.1)**	(2.2)	**-**	–
Borrowings	17	**(1.6)**	(20.2)	**–**	(18.6)
Provisions for liabilities and charges	19	**(28.6)**	(30.4)	**(17.4)**	(18.8)
Total net assets employed		**283.7**	282.3	**563.8**	583.8
Capital and reserves					
Called up share capital	20	**31.5**	32.4	**31.5**	32.4
Share premium account	21	**60.9**	59.9	**60.9**	59.9
Revaluation reserve	21	**2.1**	2.4	**-**	–
Capital redemption reserve	21	**36.0**	35.0	**36.0**	35.0
Profit and loss account	21	**153.0**	152.2	**435.4**	456.5
Total shareholders' funds		**283.5**	281.9	**563.8**	583.8
Equity minority interests	22	**0.2**	0.4	**–**	–
Total funds		**283.7**	282.3	**563.8**	583.8

The accounts on pages 31 to 58 were approved by the board of directors on 18th March 2005 and were signed on its behalf by:

W B McGrath **Chief Executive** W. McGrath

S M Smith **Finance Director** Shaun Smith

Notes to the accounts are on pages 36 to 58.

Group cash flow statement

For the year ended 31st December

	Notes	2004 £m	2004 £m	2003 £m	2003 £m
Net cash inflow from operating activities			**32.9**		23.9
Returns on investments and servicing of finance			**0.6**		0.9
Tax paid			**(5.5)**		(5.2)
Capital expenditure and product development			**(9.6)**		(20.5)
Acquisitions and disposals	23		**(4.6)**		(16.1)
Equity dividends paid			**(9.6)**		(8.1)
Net cash inflow / (outflow) before financing			**4.2**		(25.1)
Financing					
- issue of ordinary share capital	24	**1.1**		0.1	
- loan to associated undertaking	24	**(0.3)**		–	
- purchase of own shares	24	**(9.4)**		–	
- increase / (decrease) in debt	24	**2.4**		(1.7)	
Net financing outflow			**(6.2)**		(1.6)
Decrease in cash in the year	25		**(2.0)**		(26.7)

	Notes	2004 £m	2004 £m	2003 £m	2003 £m
Reconciliation of net cash flow to movement in net cash					
Decrease in cash in the year	25	**(2.0)**		(26.7)	
(Increase) / decrease in debt	24	**(2.4)**		1.7	
Change in net cash resulting from cash flows	25		**(4.4)**		(25.0)
Borrowings acquired with acquisitions			**-**		(0.4)
Exchange adjustments	25		**(0.1)**		(0.5)
Decrease in net cash			**(4.5)**		(25.9)
Opening net cash			**29.6**		55.5
Closing net cash			**25.1**		29.6

This statement should be read in conjunction with the reconciliations on page 35.

Notes to the accounts are on pages 36 to 58.

Group cash flow statement - reconciliations

For the year ended 31st December

Reconciliation of operating profit to net cash inflow from operating activities

	Notes	**2004 £m**	2003 £m
Operating profit		**29.5**	25.2
Intangibles amortisation	11	**8.8**	8.3
Depreciation	12	**7.9**	8.1
Profit on disposal of fixed assets	3	**(1.3)**	(1.5)
(Increase) / decrease in stocks		**(8.0)**	(7.5)
(Increase) / decrease in debtors		**(10.5)**	1.7
Increase / (decrease) in creditors		**9.8**	(4.5)
Increase / (decrease) in provisions		**(3.3)**	(5.9)
Net cash inflow from operating activities		**32.9**	23.9

Operating cash flows relating to acquisitions are shown in note 23.

Returns on investments and servicing of finance

	Notes	**2004 £m**	2003 £m
Interest received	6	**1.4**	1.7
Interest paid	6	**(0.8)**	(0.8)
Net cash inflow from returns on investments and servicing of finance		**0.6**	0.9

Capital expenditure and product development

	Notes	**2004 £m**	2003 £m
Product development	11	**(2.8)**	(2.7)
Purchase of tangible fixed assets	12	**(14.6)**	(18.0)
Sale of tangible fixed assets		**7.8**	0.2
Net cash outflow from capital expenditure and product development		**(9.6)**	(20.5)

Notes to the accounts are on pages 36 to 58.

Notes to the accounts

1 Accounting policies

Basis of accounting

The accounts are prepared under the historical cost convention, except where adjusted for revaluations of certain fixed assets, and in accordance with applicable Accounting Standards in the UK and The Companies Act 1985.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the accounts of the parent company and all its subsidiaries made up to the end of the financial year and include the results of subsidiaries and businesses acquired and sold during the year from or up to their effective date of acquisition or sale. The consolidated accounts also include the Group's share of post-acquisition earnings and net assets of associated undertakings.

Acquisitions

Shares issued as consideration for the acquisitions of companies have a fair value attributed to them, which is normally their market value at the date of acquisition. Net tangible assets acquired are consolidated at a fair value to the Group at date of acquisition. All changes to those assets and liabilities, and the resulting gains and losses that arise after the Group has gained control of the subsidiary, are credited and charged to the post-acquisition profit and loss account or the statement of recognised gains and losses as appropriate. In the Company accounts, where advantage can be taken of the merger relief rules, shares issued as consideration for acquisitions are accounted for at nominal value.

Turnover

Turnover which excludes value added tax and intra-group sales represents the invoiced value of goods and services sold to customers. Under Application note G of FRS 5 revenue has been recognised when performance has occurred and a right to consideration is obtained.

Pension costs

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services in accordance with SSAP 24. Where appropriate, the pension cost has been allocated to disposal provisions previously set up for that purpose.

The transitional arrangements of FRS 17 have been adopted which has prompted additional disclosure but does not represent a change in accounting policy.

Intangible assets

Development expenditure is capitalised when a clear, commercially viable future for that development is confirmed and is amortised on a straight line basis over the life of the project, limited to a maximum of five years, following its commercial production. All other research and development expenditure is written off in the year in which it is incurred.

From 1998, goodwill, being the difference between the fair value of the purchase consideration and the fair value of the assets acquired, has been capitalised in the accounts as goodwill and then amortised on a straight line basis over its estimated useful life, not exceeding 20 years.

Goodwill arising on acquisitions prior to 1998 has been written off to reserves. This goodwill will be charged in the profit and loss account as part of any profit or loss of any subsequent disposal of the business to which it relates.

Intangible assets are reviewed for impairment on an annual basis.

Tangible fixed assets

Valuations made before FRS 15 have been frozen and all subsequent additions are carried at cost. Depreciation is provided on tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life as follows:

i. Freehold buildings over 50 years.

ii. Leasehold land and buildings over 50 years or the period of the lease whichever is less.

iii. Plant, machinery and equipment over a period of 3 to $12^1/_2$ years.

Leases

Assets held under finance leases and hire purchase contracts are integrated with owned tangible fixed assets and the obligations relating thereto, excluding finance charges, are included in borrowings. Finance costs are charged to the profit and loss account over the contract term to give a constant rate of interest on the outstanding balance. Costs in respect of operating leases are charged in arriving at the operating profit.

Assets leased to third parties under operating leases (principally land and buildings) are held as tangible fixed assets and depreciated over their expected useful life in line with the depreciation policy. Rental income from leased assets is credited to the profit and loss account on an accruals basis.

Stocks and long-term contracts

Stocks are valued at the lower of cost on a first in first out basis and net realisable value. Cost includes a proportion of production overheads based on normal levels of activity. Provision is made for obsolete and slow moving items. The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on long-term contracts.

Notes to the accounts

1 Accounting policies (continued)

Borrowings

All financial instruments with a cost to the Group, with the exception of share capital, have been included in borrowings. Consequently finance leases and bills of exchange, which have a cost to the Group, are included in net borrowings. The cost of bills of exchange and finance leases has been included in net interest. Borrowings are shown net of the associated finance costs, which are amortised to the profit and loss account over the life of the borrowings.

Foreign currencies

The profit and loss account items of overseas subsidiaries and related companies are translated into sterling using average exchange rates. Assets and liabilities in foreign currencies including goodwill arising on acquisitions are translated at the mid-market rates of exchange ruling at the balance sheet date unless matched by forward contracts. Where the translation of overseas subsidiaries and associated undertakings, net of any foreign currency borrowing used to finance them, gives rise to an exchange difference, this is taken directly to reserves. Other exchange differences are dealt with through the profit and loss account.

Financial instruments

The principal derivative instruments utilised by the Group are interest rate swaps and forward rate agreements. These instruments are used for hedging purposes in line with the Group's risk management policy and no trading in financial instruments is undertaken. Interest differentials are taken to net interest receivable in the profit and loss account, and premiums and fees are amortised at a constant rate over the life of the underlying instrument.

Government grants

Grants relating to fixed assets are treated as deferred income and are transferred to revenue in equal amounts over the life of the assets.

Deferred tax

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 Group's taxable profits and its results as stated in the financial statements.

In the holding company and its subsidiaries the liability is assessed with reference to the individual company. On consolidation the liability is assessed with reference to the Group as a whole.

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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Employee share schemes

The LTIP scheme is accounted for using the provisions of UITF 17 using the fair value of the shares at the grant date, adjusted for any changes in the assessment of meeting the performance criteria.

Notes to the accounts

2 Segmental analysis

By business group	2004 Turnover	2004 Operating profit	2004 Net operating assets	2003 Turnover	2003 Operating profit	2003 Net operating assets
	£m	**£m**	**£m**	£m	£m	£m
UK & European Consumer	**176.0**	**21.0**	**54.5**	154.2	17.5	50.7
US Consumer	**65.4**	**2.0**	**7.8**	50.4	0.6	9.3
UK & European Foodservice	**152.2**	**11.1**	**76.8**	143.3	8.9	66.9
US Foodservice	**41.4**	**2.6**	**8.9**	42.4	5.4	8.2
Total continuing operations	**435.0**	**36.7**	**148.0**	390.3	32.4	135.1
Other items	**–**	**0.8**	**–**	–	1.3	–
Goodwill	**–**	**(8.0)**	**131.1**	–	(8.0)	137.2
Discontinued operations	**–**	**–**	**(9.7)**	2.1	(0.5)	(10.6)
Total Group	**435.0**	**29.5**	**269.4**	392.4	25.2	261.7

An analysis of net operating assets by category of asset is given on page 60.

Turnover between business groups is immaterial. Goodwill amortisation on continuing operations relates to UK & European Consumer £1.6m (2003: £1.6m), US Consumer £0.8m (2003: £0.6m), UK & European Foodservice £4.4m (2003: £4.4m) and US Foodservice £1.2m (2003: £1.4m).

UK & European Consumer includes acquisition turnover of £2.1m and UK & European Foodservice includes £5.0m. Acquisition operating profits were £nil in respect of both segments.

By geographical origin	2004 Turnover	2004 Operating profit	2004 Net operating assets	2003 Turnover	2003 Operating profit	2003 Net operating assets
	£m	**£m**	**£m**	£m	£m	£m
United Kingdom	**259.8**	**28.2**	**112.6**	241.7	24.9	105.2
North America	**106.8**	**4.6**	**15.3**	92.8	5.5	14.7
Europe	**63.3**	**3.1**	**17.0**	51.9	2.5	13.1
Rest of World	**5.1**	**1.6**	**3.1**	3.9	0.8	2.1
Total continuing operations	**435.0**	**37.5**	**148.0**	390.3	33.7	135.1
Goodwill	**–**	**(8.0)**	**131.1**	–	(8.0)	137.2
Discontinued operations	**–**	**–**	**(9.7)**	2.1	(0.5)	(10.6)
Total Group	**435.0**	**29.5**	**269.4**	392.4	25.2	261.7

Goodwill amortisation on continuing operations relates to United Kingdom £4.6m (2003: £4.6m), North America £2.0m (2003: £2.0m) and Europe £1.4m (2003: £1.4m). Other items, disclosed separately above, relate to North America (2003: United Kingdom). Acquisition turnover relates to Europe.

Turnover by geographical destination	2004 £m	2004 %	2003 £m	2003 %
United Kingdom	**247.6**	**56.9**	228.9	58.6
North America	**107.9**	**24.8**	92.0	23.6
Europe	**63.6**	**14.6**	61.6	15.8
Rest of World	**15.9**	**3.7**	7.8	2.0
Total continuing operations	**435.0**	**100.0**	390.3	100.0

Notes to the accounts

3 Net operating costs

	2004	2003		
	Total	Continuing	Dis-continued	Total
	£m	£m	£m	£m
Turnover	**435.0**	390.3	2.1	392.4
Less operating (profit) / loss	**(29.5)**	(25.7)	0.5	(25.2)
Net operating costs	**405.5**	364.6	2.6	367.2
Net operating costs				
Raw materials and consumables	**175.7**	155.7	0.9	156.6
Staff costs (note 4)	**128.1**	118.6	0.4	119.0
Other operating charges	**77.2**	69.4	1.3	70.7
Change in stocks of finished goods and work in progress	**(2.3)**	(4.9)	-	(4.9)
Other operating income	**(7.8)**	(6.1)	-	(6.1)
Other external charges	**18.7**	15.8	-	15.8
Amortisation of goodwill (note 11)	**8.0**	8.0	-	8.0
Depreciation of tangible fixed assets net of impairment reversal	**7.9**	8.1	-	8.1
Net operating costs	**405.5**	364.6	2.6	367.2

The figures for 2004 relate to continuing operations and include the following amounts, which relate to the acquisitions during the year:

	£m
Turnover	**7.1**
Less operating profit	**-**
Net operating costs	**7.1**
Net operating costs	
Raw materials and consumables	**2.5**
Staff costs	**3.0**
Amortisation of goodwill	**0.1**
Other operating charges	**1.5**
Net operating costs	**7.1**

Notes to the accounts

3 Net operating costs (continued)

Net operating costs include the following:

	2004 £m	2003 £m
Profit on disposal of tangible fixed assets	**(1.3)**	(1.5)
Research and development expenditure	**1.0**	0.6
Depreciation of tangible assets	**8.7**	8.1
Reversal of impairment	**(0.8)**	–
Amortisation of development costs	**0.8**	0.3
Rentals under operating leases		
- Plant and machinery	**2.9**	2.6
- Other	**6.5**	7.6
Auditors' remuneration		
- Audit services provided by primary auditors (Company £27,700 (2003: £27,000))	**0.3**	0.3
- Other services provided by primary auditors (Includes £0.2m for tax and £0.2m for advisory work)	**0.4**	0.4
Other services received from other professional accountants (Includes £0.5m for tax and £0.1m for internal audit)	**0.6**	0.9

4 Employee information

Average number of employees (including directors)	**2004**	2003
UK & European Consumer	**2,017**	1,888
US Consumer	**543**	346
UK & European Foodservice	**2,161**	2,063
US Foodservice	**418**	433
Continuing	**5,139**	4,730
Discontinued	**–**	15
Total	**5,139**	4,745

	2004	2003		
	Total	Continuing	Dis-continued	Total
Staff costs (including directors)	**£m**	£m	£m	£m
Wages and salaries	**113.3**	105.1	0.4	105.5
Social security costs	**14.1**	12.9	–	12.9
Other pension costs	**0.7**	0.6	–	0.6
Total staff costs	**128.1**	118.6	0.4	119.0

Directors' emoluments

Details of directors' emoluments are set out in the remuneration report on pages 22 to 27.

5 Pension costs

The Group has continued to account for pensions in accordance with SSAP 24. The disclosures given below are those required by that standard. FRS 17 Retirement Benefits was issued in November 2000 but will not be fully mandatory for the Group and the Company until the year ended 31st December 2005. Prior to this, phased transitional disclosures are required. The required disclosures are shown below.

The Group operates a pension scheme which covers the majority of United Kingdom employees. Membership on a final salary basis was closed in 2001 but the scheme remains open to new entrants on a defined contribution basis. The assets are held in trust funds separate from the Group's assets. Other defined benefit schemes operated within the Group are the Mono Equipment Limited Pension and Life Assurance Scheme, the Amari plc Pension and Life Assurance Plan and various overseas arrangements. Various defined contribution schemes exist across the Group and the total contributions in the year were £0.7m (2003: £0.6m).

Notes to the accounts

5 Pension costs (continued)

The latest full valuation of the main United Kingdom scheme was carried out by Watson Wyatt LLP, independent consulting actuaries, as at 31st December 2002 using the projected unit credit method. The principal assumptions on which the valuation was based for the purposes of establishing the Group's pension cost were that the investment return would be 2.5% greater than general salary increases, and between 3.25% and 4% greater than increases in future pension payments. The results of the valuation showed that the scheme had an aggregate market value of £575.8m and was 104% funded. A funding update has been carried out by Watson Wyatt LLP for the purposes of the 2004 accounts. The principal amended assumptions on which this funding update was based were that the investment return would be 2.25% greater than general salary increases, and between 3.10% and 3.75% greater than increases in future pension payments. The results of this funding update showed that the scheme had an aggregate market value of £618.9m and was 110% funded at 31st December 2003. This surplus has been spread forward on the fixed monetary amount basis. The pension prepayment held in the Group's balance sheet at 31st December 2004 was £28.6m (2003: £23.3m). The normal pension cost was £nil for 2004 (2003: £3.2m which was charged against provisions established in 2001 to address pension costs arising from the sale of the pipe systems businesses to Etex). Group defined benefit scheme contributions of £5.4m (2003: £5.5m) based on pensionable salaries were made during the year ended 31st December 2004. Contributions of £0.4m (2003: £0.3m) were owed to the schemes at 31st December 2004. Contributions for the next year under the main UK scheme will continue to be 12.8% (2003: 12.8%) for all members accruing benefits on a final salary basis with the exception of members of the former 1970 scheme and 32.8% (2003: 32.8%) for members of the former 1970 scheme, pending review on completion of a full actuarial valuation. As the scheme is closed to new entrants on a final salary basis, under the projected unit credit method the current service cost, expressed as a percentage of pensionable salaries, will increase as the members of the scheme approach retirement.

FRS 17 Retirement Benefits

The liabilities of the schemes for FRS 17 disclosures have been assessed by Watson Wyatt LLP at 31st December 2004, and the schemes' assets at 31st December 2004 are stated at their market value, in accordance with the requirements of FRS 17. The financial assumptions used to calculate scheme liabilities under FRS 17 were:

	UK & US schemes 2004	**European schemes 2004**	UK schemes 2003	European schemes 2003	UK schemes 2002	European schemes 2002
Rate of increase in salaries	**4.0%**	**3.0%**	4.0%	3.0%	3.5%	3.0%
Rate of increase of pensions in payment	**2.5-3.2%**	**-**	2.5-3.2%	–	2.0-3.15%	-
Discount rate	**5.35%**	**5.25-5.5%**	5.55%	5.25-5.5%	5.65%	5.0-5.5%
Inflation assumption	**2.5%**	**2.0-2.7%**	2.5%	2.0-2.7%	2.0%	2.0-2.7%

The assets of the aggregated schemes and the expected rate of return are:

	Long term asset returns expected 2004 %	**2004 £m**	Long term asset returns expected 2003 %	2003 £m	Long term asset returns expected 2002 %	2002 £m
Equities	**7.8**	**284.4**	7.8	265.7	8.3	221.1
Bonds	**5.1**	**292.0**	5.3	297.8	5.3	282.5
Property	**6.5**	**63.4**	6.5	55.3	6.7	61.3
Other	**4.8**	**34.2**	3.8	15.2	3.8	20.7
Total market value of assets	**6.3**	**674.0**	6.4	634.0	6.5	585.6
Actuarial value of liabilities		**(680.6)**		(661.9)		(650.7)
Deficit in the scheme		**(6.6)**		(27.9)		(65.1)
Related deferred tax asset		**2.0**		8.3		19.5
Net pension deficit		**(4.6)**		(19.6)		(45.6)

Included above are assets with a market value of £1.5m (2003: £0.2m) and a deficit of £2.3m (2003: £1.1m) in respect of the overseas schemes.

	2004 £m	2003 £m	2002 £m
Net assets excluding pension asset	**266.2**	265.9	257.3
Net pension deficit	**(4.6)**	(19.6)	(45.6)
Net assets including pension deficit	**261.6**	246.3	211.7
Profit and loss account excluding pension asset	**135.5**	135.8	126.7
Pension reserve	**(4.6)**	(19.6)	(45.6)
Profit and loss account including pension reserve	**130.9**	116.2	81.1

Notes to the accounts

5 Pension costs (continued)

Analysis of amounts which would have been chargeable to the profit and loss account in respect of defined benefit schemes had FRS 17 been adopted in full:	**2004 £m**	2003 £m
Current service cost	**6.3**	6.1
Past service cost	**–**	–
Total operating charge	**6.3**	6.1

Analysis of amounts which would have been credited to other finance income had FRS 17 been adopted in full:

	2004 £m	2003 £m
Expected return on pension scheme assets	**39.8**	37.4
Interest on pension scheme liabilities	**(35.8)**	(35.9)
Net return	**4.0**	1.5

Analysis of amounts which would have been recognised in the statement of total recognised gains and losses had FRS 17 been adopted in full:

	2004 £m	2003 £m
Actual gain on pension scheme assets	**21.0**	31.2
Experience gains arising on the scheme liabilities	**14.1**	33.9
Changes in the assumptions underlying the present value of the scheme liabilities	**(16.9)**	(29.6)
Actuarial gain	**18.2**	35.5

Movement in deficit of the aggregated schemes during the year	**2004 £m**	2003 £m
Deficit of the schemes at the beginning of the year	**(27.9)**	(65.1)
Movement:		
Current service cost	**(6.3)**	(6.1)
Contributions	**5.4**	6.3
Other finance income	**4.0**	1.5
Actuarial gain	**18.2**	35.5
Deficit of the schemes at the end of the year	**(6.6)**	(27.9)

History of experience gains and losses	**2004 £m**	2003 £m	2002 £m
Difference between the actual and expected return on scheme assets:			
Amount of gain / (loss)	**21.0**	31.2	(85.1)
Percentage of scheme assets	**3.1%**	4.9%	(14.5%)
Experience gains and losses on scheme liabilities:			
Amount of gain	**14.1**	33.9	9.8
Percentage of scheme liabilities	**2.1%**	5.1%	1.5%
Total amount which would have been recognised in statement of total recognised gains and losses:			
Amount of gain / (loss)	**18.2**	35.5	(69.2)
Percentage of scheme liabilities	**2.7%**	5.4%	(10.6%)

Notes to the accounts

6 Interest

	2004	2003
Interest payable:	**£m**	£m
Bank loans and overdrafts	**0.6**	0.5
All other borrowings	**0.2**	0.3
Total interest payable	**0.8**	0.8
Less interest receivable and similar income	**(1.4)**	(1.7)
Net interest receivable	**(0.6)**	(0.9)

7 Tax on profit on ordinary activities

	2004	2003
United Kingdom corporation tax based on a rate of 30% (2003: 30%):	**£m**	£m
Current tax on income for year	**4.6**	3.2
Adjustments in respect of prior years	**(2.1)**	(0.3)
United Kingdom corporation tax	**2.5**	2.9
Overseas current tax on income for year	**2.6**	1.2
Total current tax	**5.1**	4.1
United Kingdom deferred tax charge in year	**2.1**	1.0
Overseas deferred tax (credit) / charge in year	**(0.1)**	0.5
Total deferred tax (note 19)	**2.0**	1.5
Total United Kingdom tax	**4.6**	3.9
Total overseas tax	**2.5**	1.7
Tax on profit on ordinary activities	**7.1**	5.6

The current tax assessed for the year is lower than the standard rate of corporation tax in the UK as explained below:

	2004 £m	2003 £m
Profit on ordinary activities before tax	**30.6**	27.9
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	**9.2**	8.4
Effects of:		
- non-taxable income	**(2.3)**	(2.1)
- non-deductible expenses (primarily goodwill amortisation)	**2.4**	2.4
- capital allowances for the year in excess of depreciation	**(0.8)**	(0.6)
- other timing differences	**(1.3)**	(4.1)
- adjustment to tax charge in respect of prior years	**(2.1)**	(0.3)
- *higher rates of tax on overseas earnings*	**-**	0.4
Current tax charge for the year	**5.1**	4.1

Notes to the accounts

8 Profit for the year

Group profit after tax and minority interests for the year was £23.4m (2003: £22.2m). Aga Foodservice Group plc has taken advantage of section 230(3) of the Companies Act 1985 and has not included its own profit and loss account in these accounts. The Company's loss after tax was £1.3m (2003: profit £33.3m).

9 Dividends

	2004	2003
Ordinary dividends	**£m**	£m
Interim paid of 2.5p per share (2003: 2.2p)	**3.1**	2.8
Proposed final of 5.8p per share (2003: 5.0p)	**7.3**	6.5
Total dividends of 8.3p per share (2003: 7.2p)	**10.4**	9.3

10 Earnings per share

	2004	2003
Earnings	**£m**	£m
Profit on ordinary activities after tax	**23.5**	22.3
Minority interests	**(0.1)**	(0.1)
Goodwill amortisation	**8.0**	8.0
Earnings before goodwill amortisation	**31.4**	30.2
Profit on ordinary activities after tax	**23.5**	22.3
Minority interests	**(0.1)**	(0.1)
Earnings – for basic and diluted EPS	**23.4**	22.2
Weighted average number of shares in issue	**million**	million
For basic EPS calculation	**127.0**	129.4
Dilutive effect of share options	**0.6**	0.5
For diluted EPS calculation	**127.6**	129.9
Earnings per share	**p**	p
Basic	**18.4**	17.2
Diluted	**18.3**	17.1
Basic - before goodwill amortisation	**24.7**	23.3

The additional earnings per share figure has been calculated to provide a measure of performance before the impact of goodwill amortisation.

Notes to the accounts

11 Intangible assets

Group	Goodwill £m	Development costs £m	Total £m
Cost			
At 1st January	162.0	3.9	**165.9**
Exchange adjustment	(2.5)	–	**(2.5)**
Additions	–	2.8	**2.8**
Arising from acquisitions in the year (note 23)	3.5	0.2	**3.7**
Arising from adjustment to prior year acquisitions (note 23)	0.6	–	**0.6**
At 31st December	163.6	6.9	**170.5**
Amortisation			
At 1st January	24.8	0.4	**25.2**
Exchange adjustment	(0.3)	–	**(0.3)**
Charge for the year	8.0	0.8	**8.8**
At 31st December	32.5	1.2	**33.7**
Net book value at 31st December	**131.1**	**5.7**	**136.8**
Net book value at 1st January	137.2	3.5	140.7

Goodwill arising on acquisitions is being amortised over 20 years, which the directors believe to be its useful economic life. The Company holds no intangible fixed assets (2003: nil).

12 Tangible fixed assets

Group	Land and buildings £m	Plant, *machinery* and equipment £m	*Assets in* course of construction £m	Total *tangible* fixed assets £m
Cost and valuation				
At 1st January	47.4	82.0	0.8	**130.2**
Exchange adjustment	(0.3)	(1.0)	–	**(1.3)**
Businesses acquired	1.3	0.9	–	**2.2**
Capital expenditure	2.2	11.3	1.1	**14.6**
Disposals	(2.9)	(3.0)	–	**(5.9)**
Reclassification	0.2	0.3	(0.5)	**–**
At 31st December	47.9	90.5	1.4	**139.8**
Depreciation				
At 1st January	9.8	47.2	–	**57.0**
Exchange adjustment	(0.2)	(0.6)	–	**(0.8)**
Businesses acquired	–	0.5	–	**0.5**
Charge for the year	1.5	7.2	–	**8.7**
Impairment reversal	(0.8)	–	–	**(0.8)**
Disposals	(0.8)	(2.6)	–	**(3.4)**
At 31st December	9.5	51.7	–	**61.2**
Net book value at 31st December	**38.4**	**38.8**	**1.4**	**78.6**
Net book value at 1st January	37.6	34.8	0.8	73.2

The Company holds no tangible fixed assets (2003: nil).

Notes to the accounts

12 Tangible fixed assets (continued)

All tangible fixed assets are held at cost except for £12.2m of land and buildings valued professionally in 1995. The historical cost to the relevant businesses of tangible fixed assets amounts to £139.2m (2003: £129.6m) and the accumulated depreciation thereon is £63.0m (2003: £58.8m), giving a net historical book value of £76.2m (2003: £70.8m).

The net book value of tangible fixed assets includes £0.8m (2003: £0.8m) in respect of assets held under finance leases. Depreciation for the year on these assets was £0.2m (2003: £0.2m). The net book value of land and buildings comprises:

	2004 £m	2003 £m
Freehold	**32.2**	30.9
Long leasehold	**1.0**	1.7
Short leasehold	**5.2**	5.0
Total	**38.4**	37.6

Included in land and buildings are properties, with a cost of £7.4m and related depreciation of £0.5m, leased to former Metals Processing businesses. In 1999 an impairment of £1.0m was made against these properties and £0.8m of this impairment has been reversed in 2004 following a reassessment of the carrying value of these assets. The current tenants have options to purchase these properties, exercisable before 2009 and no material loss would arise on the exercise of these options.

13 Investments

Group	**2004 £m**	2003 £m
Interest in associated undertakings		
Goodwill at 1st January	**4.9**	2.6
Exchange adjustment	**(0.1)**	(0.1)
Goodwill arising on acquisition	**–**	2.6
Charge for the year	**(0.2)**	(0.2)
Goodwill at 31st December	**4.6**	4.9
Share of net assets excluding goodwill	**1.6**	0.9
Loan to associated undertaking (note 24)	**0.3**	–
Investment in associated undertakings	**6.5**	5.8

The Group has a 40.7% shareholding in Grange SA (France), a manufacturer and retailer of furniture. Grange has been accounted for as an associated undertaking due to the nature of the investment. The Group's share of profits before goodwill is £0.7m (2003: £0.2m).

Company	**Cost of shares £m**	**Provisions £m**	**Net book value £m**	**Amounts due from subsidiaries £m**	**Amounts due to subsidiaries £m**	**Total £m**
In subsidiaries						
At 1st January	623.3	(124.6)	**498.7**	622.2	(530.1)	**590.8**
Additions	4.4	–	**4.4**	3.2	–	**7.6**
Intra group transfers	355.5	–	**355.5**	(355.1)	(16.8)	**(16.4)**
Disposals	(2.0)	2.0	**–**	–	7.5	**7.5**
Other movements	–	(2.7)	**(2.7)**	2.3	(25.1)	**(25.5)**
At 31st December	**981.2**	**(125.3)**	**855.9**	**272.6**	**(564.5)**	**564.0**

14 Stocks

Group	**2004 £m**	2003 £m
Raw materials and consumables	**16.6**	13.2
Work in progress	**10.0**	9.9
Finished goods and goods for resale	**43.6**	38.2
Total stocks	**70.2**	61.3

The Company holds no stocks (2003: nil).

Notes to the accounts

15 Debtors

	Group		Company	
	2004	2003	**2004**	2003
Operating debtors	**£m**	£m	**£m**	£m
Amounts falling due within one year				
Trade debtors	**65.3**	59.8	**–**	–
Amounts owed by Group undertakings	**–**	–	**272.6**	622.2
Amounts owed by associated undertakings	**0.3**	0.2	**–**	–
Other debtors	**3.2**	2.5	**0.2**	0.1
Prepayments and accrued income	**6.8**	11.5	**–**	–
Total operating debtors falling due within one year	**75.6**	74.0	**272.8**	622.3
Operating debtors				
Amounts falling due after one year				
Other debtors	**1.8**	2.7	**–**	–
Pension prepayment	**28.6**	23.3	**5.2**	5.0
Total operating debtors	**106.0**	100.0	**278.0**	627.3
Corporation tax recoverable falling due within one year	**1.2**	2.7	**11.5**	0.4
Total debtors	**107.2**	102.7	**289.5**	627.7

16 Creditors

	Group		Company	
	2004	2003	**2004**	2003
Operating creditors	**£m**	£m	**£m**	£m
Amounts falling due within one year				
Trade creditors	**64.0**	56.2	**–**	–
Amounts owed to Group undertakings	**–**	–	**564.5**	530.1
Amounts owed to associated undertakings	**–**	0.1	**–**	–
Payments on account	**5.8**	5.6	**–**	–
Social security	**3.5**	3.7	**–**	–
Accruals and deferred income	**14.7**	12.5	**0.7**	0.1
Other creditors	**14.6**	10.8	**0.3**	0.6
Total operating creditors falling due within one year	**102.6**	88.9	**565.5**	530.8
Tax and dividends payable				
Corporation tax	**2.1**	3.0	**–**	–
Dividends payable	**7.3**	6.5	**7.3**	6.5
Total tax and dividends payable	**9.4**	9.5	**7.3**	6.5
Creditors				
Amounts falling due after more than one year				
Other creditors (note 20)	**0.1**	2.2	**–**	–
Total amounts falling due after more than one year	**0.1**	2.2	**–**	–

Notes to the accounts

17 Borrowings

	Group		Company	
	2004	2003	**2004**	2003
	£m	£m	**£m**	£m
Fixed Rate Loan Notes	**0.3**	–	**0.3**	–
Floating Rate Loan Notes	**–**	1.2	**–**	1.2
Finance leases	**0.2**	0.2	**–**	–
Other borrowings	**22.6**	0.8	**22.3**	–
Total falling due within one year	**23.1**	2.2	**22.6**	1.2
Finance leases	**0.7**	0.6	**–**	–
Other borrowings	**0.9**	19.6	**–**	18.6
Total falling due after one year	**1.6**	20.2	**–**	18.6
Total borrowings	**24.7**	22.4	**22.6**	19.8
Cash at bank and in hand	**(49.8)**	(52.0)	**(31.2)**	(33.3)
Total net cash	**(25.1)**	(29.6)	**(8.6)**	(13.5)
Secured – finance leases	**0.9**	0.8	**–**	–
Unsecured	**23.8**	21.6	**22.6**	19.8
Total borrowings	**24.7**	22.4	**22.6**	19.8

18 Financial instruments

The Group's objective in using financial instruments is to minimise its exposure to financial risk. The group treasurer co-ordinates banking arrangements, investment of surplus funds, ongoing borrowing requirements and the use of financial instruments where appropriate. The Group manages the financial instrument credit risk and investment risk by entering into transactions with established financial institutions and relationship banks.

Funding of major corporate-related transactions are carried out by group treasury which operates as a cost centre.

The main risks arising from the Group's financial instruments are interest rate risk and foreign currency risk. Policies for managing these risks are governed by board approved policies and procedures, which have remained unchanged since the beginning of 2004 and were last reviewed in July 2004.

- **Foreign currency transactional risk**

  The Group requires its operating units to use forward currency contracts for any material committed sales or purchases denominated in currencies other than the unit's functional currency. Operating units undertake transactional hedging within the parameters set by the board and the level of transactional hedging and exposure is reviewed by group treasury on a monthly basis.

- **Foreign currency structural risk**

  With its strategy of growth and expansion on an international scale, the Group has significant investment in overseas operations. The Group seeks to mitigate the effect of such structural currency exposures by borrowing in the same currency as the functional currency of its operating units. In managing the structural currency exposures, the Group's objectives are to minimise borrowing costs and to retain some potential for currency-related appreciation whilst hedging against currency depreciation.

  At the end of 2004, the Euro liabilities represented 45% of Euro net assets.

- **Interest rate risk**

  The Group maintains its policy to minimise interest rate risk on its borrowings and deposits by using interest rate swaps and forward rate agreements where appropriate. The Group's policy is, normally, to have between 25% and 75% of debt at fixed rates at any time, depending on debt levels and market conditions. Interest rate risk is currently minimised, without the need to use derivative financial instruments, as explained in the paragraph below.

Notes to the accounts

18 Financial instruments (continued)

Throughout the financial year the Group had surplus funds, which provided it with the opportunity to further develop its core businesses and to fund the share buy back programme. As the Group's objective was to maintain flexibility in utilising these funds, the maturity profile has been kept short throughout 2004, and the acquisitions made during the year were financed out of available resources. At the year end, all of the Group's investments were interest bearing, with a weighted average maturity of one month.

The ongoing financial liabilities are all interest bearing.

Short term debtors and creditors have been excluded from all of the following disclosures, other than the currency exposure.

a) Currency and interest rate exposure of financial assets and liabilities

The following table analyses the currency and interest rate composition of the Group's financial liabilities, comprising total borrowings of £24.7m (2003: £22.4m) included in note 17, the provision for vacant leasehold properties of £0.4m (2003: £0.7m) included in note 19 and deferred consideration payable in respect of the Domain acquisition.

2004	**Interest *bearing* £m**	**Non interest *bearing* £m**	***Total* £m**
Currency			
Sterling	0.3	0.4	**0.7**
Euros	22.7	–	**22.7**
US dollar	1.7	2.1	**3.8**
At 31st December	**24.7**	**2.5**	**27.2**

2003	Interest bearing £m	Non interest bearing £m	Total £m
Currency			
Sterling	1.2	0.7	1.9
Euros	17.3	–	17.3
US dollar	3.0	2.2	5.2
Other currencies	0.9	–	0.9
At 31st December	22.4	2.9	25.3

Floating rate financial liabilities bear interest based on the relevant national LIBOR equivalents, which are fixed in advance for periods of between one month and six months.

The provision for vacant leasehold properties is considered to be a non-interest bearing liability and has an average period to maturity of 2 years (2003: 3 years).

The following table analyses the currency rate exposure of the Group's financial assets, comprising cash at bank and in hand of £49.8m (2003: £52.0m).

Currency	**2004 £m**	2003 £m
Sterling	**39.9**	44.1
Euros	**4.2**	3.6
US dollar	**4.8**	3.2
Other currencies	**0.9**	1.1
At 31st December	**49.8**	52.0

The above financial assets bear floating rate interest at the relevant short term market rate. In accordance with the parameters set by the board, the Group's policy is to select those counterparts with high-quality credit ratings and to review the ratings on a regular basis.

Notes to the accounts

18 Financial instruments (continued)

b) Maturity analysis of financial liabilities

The following table analyses the maturity profile of the Group's financial liabilities at the year end. Other financial liabilities represent the provision for vacant leasehold properties and deferred consideration payable in respect of the Domain acquisition, payable in 2005.

	Group				Company
2004	**Borrowings £m**	**Finance leases £m**	**Other financial liabilities £m**	**Total £m**	**Total £m**
Within 1 year or on demand	22.9	0.2	2.1	**25.2**	**22.6**
Between 1 and 2 years	0.3	0.3	0.4	**1.0**	–
Between 2 and 5 years	0.6	0.4	–	**1.0**	–
Over 5 years	–	–	–	–	–
At 31st December	**23.8**	**0.9**	**2.5**	**27.2**	**22.6**

	Group				Company
2003	Borrowings £m	Finance leases £m	Other financial liabilities £m	Total £m	Total £m
Within 1 year or on demand	2.0	0.2	0.2	2.4	1.2
Between 1 and 2 years	18.9	0.2	2.4	21.5	18.6
Between 2 and 5 years	0.6	0.4	0.1	1.1	–
Over 5 years	0.1	–	0.2	0.3	–
At 31st December	21.6	0.8	2.9	25.3	19.8

c) Borrowing facilities

The following table analyses the Group's undrawn committed facilities at the year end.

	2004 £m	2003 £m
Expiring within 1 year	**2.7**	–
Expiring between 1 and 2 years	–	6.4
Total undrawn committed facilities	**2.7**	6.4

The Group also has uncommitted facilities totalling £41.0m (2003: £42.2m).

d) Fair values of financial assets and liabilities	**2004**		2003	
	Book value £m	**Fair value £m**	Book value £m	Fair value £m
Primary financial instruments held or issued to finance Group operations				
Short term borrowings	**23.1**	**23.1**	(2.2)	(2.2)
Long term borrowings	**1.6**	**1.6**	(20.2)	(20.2)
Other financial liabilities	**2.5**	**2.5**	(2.9)	(2.9)
Cash at bank and in hand	**(49.8)**	**(49.8)**	52.0	52.0
Derivative financial instruments held or issued to **hedge the currency exposure on purchases and sales:**				
Forward foreign currency contracts	–	–	–	(0.2)

Notes to the accounts

18 Financial instruments (continued)

As noted on page 49 the Group's borrowings are primarily loan advances with maturities between one and six months and their book value is deemed to approximate to their fair values. As the majority of the borrowings mature within one year, there were no interest rate swaps in place at the year end. The fair value of the forward foreign exchange contracts has been calculated using the spot rate of exchange at the year end.

e) Currency exposures

The table below shows the currency exposure of the Group's net monetary assets and liabilities in currencies other than their local currency after taking account of forward foreign exchange contracts held to manage such exposures. Foreign exchange differences on retranslation of these assets and liabilities are taken to the profit and loss account.

	Net foreign currency financial assets / (liabilities)				
2004	**Sterling £m**	**Eurozone £m**	**US £m**	**Other currencies £m**	**Total £m**
Functional currency of Group operation					
Sterling	–	**1.0**	–	**(1.5)**	**(0.5)**

	Net foreign currency financial assets / (liabilities)				
2003	Sterling £m	Eurozone £m	US £m	Other currencies £m	Total £m
Functional currency of Group operation					
Sterling	–	(0.3)	(0.1)	(0.7)	(1.1)

f) Hedges on future transactions

As explained on page 48, the Group's policy is to hedge the following exposures:

- interest rate risk by using interest rate swaps and forward rate agreements where appropriate; and
- structural and transactional currency exposures and currency exposures on future expected sales and purchases by using forward foreign exchange contracts.

At 31st December 2004 there were no interest rate swaps outstanding (2003: nil) and unrecognised net losses in respect of forward foreign exchange contracts were nil (2003: £0.2m).

Notes to the accounts

19 Provisions for liabilities and charges

Group	Deferred tax £m	Pensions & employee benefits £m	Product warranties £m	Property & reorganisation £m	Other £m	Total £m
At 1st January	8.0	2.4	3.2	2.7	14.1	**30.4**
Exchange adjustment	0.1	–	(0.1)	(0.1)	(0.1)	**(0.2)**
Acquisitions (note 23)	(0.1)	0.2	0.5	–	0.1	**0.7**
Charge / (credit) in the year	2.0	0.2	0.3	(0.1)	(0.5)	**1.9**
Utilised in year	(0.9)	(0.1)	(0.7)	(1.3)	(1.2)	**(4.2)**
At 31st December	**9.1**	**2.7**	**3.2**	**1.2**	**12.4**	**28.6**

Company	Deferred tax £m	Other £m	Total £m
At 1st January	1.5	17.3	**18.8**
Credit in the year	(1.0)	(0.1)	**(1.1)**
Utilised in the year	–	(0.3)	**(0.3)**
At 31st December	**0.5**	**16.9**	**17.4**

Deferred tax	**2004**		2003	
	Group £m	**Company £m**	Group £m	Company £m
Timing differences between tax allowances and depreciation	**3.9**	**–**	3.1	–
Other timing differences	**5.2**	**0.5**	4.9	1.5
Total deferred tax	**9.1**	**0.5**	8.0	1.5

Pensions and employee benefits

Pensions and employee benefits include £2.7m (2003: £2.4m) in respect of unfunded overseas pension schemes.

Product warranties

Provision is made for the estimated liability on all products still under warranty. Product warranties of between 1 and 3 years are given, where appropriate, by individual businesses in the Group.

Property and reorganisation

Following the disposal programme of previous years certain vacant property located in the UK remains with the Group. Full provision has been made for the residual lease commitments, together with other outgoings, for the remaining period of the leases. The timing of payments is shown in note 18(b).

Other

The Group's and Company's other provisions relate to the remaining costs in respect of the disposal of Pipe Systems, including probable warranty and indemnity claims, pensions, taxation exposures, other claims and other costs from third parties in relation to divested businesses. Although the majority of these provisions may be realised in the next accounting period, the exact timing is unclear.

Notes to the accounts

20 Share capital

	2004 £m	2003 £m
Authorised		
327.0m ordinary shares of 25p each (2003: 327.0m)	**81.8**	81.8
Issued and fully paid		
126.0m ordinary shares of 25p each (2003: 129.4m)	**31.5**	32.4

During the year 519,762 ordinary shares of 25p each (nominal value £129,941) (2003: 5,506 shares, nominal value £1,377) were issued in connection with the Company's share option schemes for an aggregate consideration of £1,105,644 (2003: £10,957).

The company also purchased and cancelled 3,955,000 of its own shares (nominal value £988,750) for an aggregate cost of £9.4m.

Options

Options outstanding at 31st December 2004 under the following schemes were as follows:

	Senior Executive Share Option Schemes			Savings-Related Share Option Schemes		
	Number of shares	**Option price p per share**	**Exercisable in 7 years to**	**Number of shares**	**Option price p per share**	**Exercisable in the 6 months to**
	315,000	288	April 2007	50,718	199	May 2005
	175,000	321	May 2008	**Long-Term Incentive Plan**		
	400,000	225	September 2009	**Number of shares**	**Option price p per share**	**Exercisable in 7 years to**
	908,500	236	June 2011			
	731,500	261	March 2012	346,640	268	April 2012
	816,500	235	October 2013	162,724	235	October 2013
Total	**3,346,500**			**560,082**		

Under the Long-Term Incentive Plan a fee of £1 per award is payable and no further consideration is due. Further information is set out in the remuneration report on pages 22 to 27.

As part of the acquisition of Domain Inc, in 2002, the officers have an option to receive 1,179,834 shares in Aga Foodservice Group plc in lieu of the deferred cash payment of £2.1m, included in creditors falling due within one year in 2004. The option price is 237p and these are exercisable on 1st April 2005, subject to the continued employment of the four Domain officers.

Convertibles

As part of the acquisition of Resurgan Limited in 2001, fixed rate Convertible Redeemable Unsecured Loan Stock 2007 ('CRULS') were issued, as part of the consideration, of which £0.3m remain outstanding. The variable rate Convertible Unsecured Redeemable Loan Stock 2004 ('CURLS'), which were issued as part of the acquisition, were redeemed in the year.

Notes to the accounts

21 Reserves

Group	Share premium £m	Revaluation reserve £m	Capital redemption reserve £m	Profit and loss account £m	Total £m
At 1st January	59.9	2.4	35.0	152.2	**249.5**
Exchange adjustment	–	–	–	(3.4)	**(3.4)**
Profit retained	–	–	–	13.0	**13.0**
Premium on shares issued	1.0	–	–	–	**1.0**
Purchase of own shares	–	–	1.0	(9.4)	**(8.4)**
Transfer between reserves	–	(0.3)	–	0.3	**–**
Other movement	–	–	–	0.3	**0.3**
At 31st December	**60.9**	**2.1**	**36.0**	**153.0**	**252.0**

Company	Share premium £m	Revaluation reserve £m	Capital redemption reserve £m	Profit and loss account £m	Total £m
At 1st January	59.9	–	35.0	456.5	**551.4**
Premium on shares issued	1.0	–	–	–	**1.0**
Purchase of own shares	–	–	1.0	(9.4)	**(8.4)**
Profit retained	–	–	–	(11.7)	**(11.7)**
At 31st December	**60.9**	–	**36.0**	**435.4**	**532.3**

The cumulative amount of goodwill taken direct to reserves since 1985 in respect of businesses who were members of the Group at 31st December 2004 is £6.3m (2003: £6.3m).

In accordance with SSAP 20, for each currency, exchange differences arising from the translation of foreign currency borrowings used to finance foreign currency investments have been offset as reserves movements against exchange differences arising on the retranslation of the net investment in that currency. In total, net exchange losses on foreign currency net cash / borrowings of £0.1m (2003: £0.5m) have been taken to reserves.

The Company's profit and loss account reserves of £435.4m (2003: £456.5m) include approximately £321m (2003: £321m) which is unavailable for distribution.

22 Minority interests

	2004 £m	2003 £m
At 1st January	**0.4**	0.4
Exchange adjustment	**–**	(0.1)
Acquired in year (note 23)	**(0.3)**	–
Profit and loss account	**0.1**	0.1
At 31st December	**0.2**	0.4

Notes to the accounts

23 Acquisitions and disposals

a) Acquisitions

The total current year acquisitions and adjustments to provisional fair values on prior year acquisitions are shown below:

	Current year acquisitions			Prior year acquisitions Northland	
	Book value	Fair value adjustments	Provisional fair value	Fair value adjustments	Total
Aggregated net assets acquired	**£m**	**£m**	**£m**	**£m**	**£m**
Intangible fixed assets	0.2	–	**0.2**	–	**0.2**
Tangible fixed assets	1.8	(0.1)	**1.7**	–	**1.7**
Stocks	1.9	1.1*	**3.0**	**(0.5)****	**2.5**
Debtors	1.1	(0.1)	**1.0**	**(0.4)**	**0.6**
Other creditors	(1.6)	(0.5)	**(2.1)**	**(0.2)**	**(2.3)**
Provisions	(0.1)	(1.1)	**(1.2)**	**0.5**	**(0.7)**
Minority interest	0.3	–	**0.3**	–	**0.3**
Net assets acquired	3.6	(0.7)	**2.9**	***(0.6)***	**2.3**
Cash paid			**4.6**	–	**4.6**
Deferred consideration			**1.8**	–	**1.8**
Total consideration			**6.4**	–	**6.4**
Goodwill arising on acquisitions in the year			**3.5**	–	**3.5**
Goodwill arising in respect of prior year acquisitions			–	**0.6**	**0.6**
Total goodwill arising (note 11)			**3.5**	**0.6**	**4.1**

The principal acquisitions during the year were La Cornue SA and the assets of the Pavailler Group. All adjustments are of a revaluation nature. Revaluation adjustments to fixed assets represent changes to gross replacement cost reduced by depreciation to take account of the age and condition of the assets. Adjustments relating to stocks and debtors reflect knowledge gained as to the recoverability of these items following acquisition. Adjustments relating to creditors and provisions relate to certain re-statements of accruals and the provision for certain liabilities not included in the acquired balance sheet. The fair value adjustments contain some provisional amounts that will be finalised in the 2005 financial statements when the detailed acquisition investigation has been completed.

The provisional fair values for Northland incorporated into the 2003 financial accounts have now been finalised and revaluation adjustments have been reflected in the above table. Adjustments relating to stocks and debtors reflect knowledge gained as to the recoverability of these items following acquisition. Adjustments relating to creditors and provisions relate to certain re-statements of accruals and the provision for certain liabilities not included in the acquired balance sheet.

* Including £0.2m of accounting policy alignments reducing stock.

** Including £0.3m of accounting policy alignments reducing stock.

Notes to the accounts

23 Acquisitions and disposals (continued)

b) Net cash flow on acquisitions and disposals

Current year acquisitions	2004 £m	2003 £m
Cash paid for subsidiaries	**(4.6)**	(13.3)
Cash paid for associates	–	(2.8)
Net cash outflow	**(4.6)**	(16.1)

Effect of acquisitions during the year on the Group cash flow statement

Post-acquisition the effect on the Group cash flow was an outflow of £1.2m, being a cash outflow from operations of £1.1m and a cash outflow for capital expenditure and financial investment of £0.1m.

c) Disposal of businesses

	2004 £m	2003 £m
Release of provision for disposal of businesses	–	(3.8)
Loss on disposal of businesses	–	2.0
Disposal of businesses	–	(1.8)

24 Financing

	Notes	2004 £m	2004 £m	2003 £m	2003 £m
Issue of ordinary share capital			**1.1**		0.1
Purchase of own shares	20		**(9.4)**		–
Loan to associated undertaking	13		**(0.3)**		–
New bank borrowing	25	**4.8**		–	
Decrease in borrowings not repayable on demand	25	**(2.5)**		(2.3)	
Finance lease inception	25	**0.1**		0.6	
Increase / (decrease) in debt			**2.4**		(1.7)
Movement in financing			**(6.2)**		(1.6)

25 Analysis of movement in net cash

	At 1st January £m	Cash flow £m	Exchange translation adjustments £m	At 31st December £m
Cash at bank and in hand (note 17)	52.0	(2.0)	(0.2)	**49.8**
Other borrowings	(21.6)	(2.3)	0.1	**(23.8)**
Finance lease obligations	(0.8)	(0.1)	–	**(0.9)**
Total net cash	**29.6**	**(4.4)**	**(0.1)**	**25.1**

Notes to the accounts

26 Commitments

	2004 £m	2003 £m
Capital commitments contracted for by the Group but not provided for in the accounts	**1.2**	2.8

The Company had no commitments (2003: nil).

27 Operating lease commitments

	Land & buildings		Other operating leases	
For leases expiring:	**2004 £m**	2003 £m	**2004 £m**	2003 £m
- *within 1 year*	**0.8**	0.7	**0.9**	0.4
- between 1 and 2 years	**1.2**	0.7	**1.0**	0.6
- between 2 and 5 years	**1.3**	1.6	**1.7**	1.4
- after more than 5 years	**3.5**	5.1	**-**	-
Total operating lease commitments	**6.8**	8.1	**3.6**	2.4

The Company had no operating lease commitments (2003: nil).

28 *Contingent liabilities*

The Group had no material contingent liabilities arising in the normal course of business at 31st December 2004 (2003: nil). The Group has contingent liabilities for certain potential claims from third parties in relation to divested businesses. On the basis of information presently available to them, the directors believe that no material claims are likely to arise for which provision has not been made in these accounts. The Company has given a number of financial and performance guarantees on behalf of subsidiaries, the relevant liabilities are included in the consolidated balance sheet.

29 Related party transactions

The Group recharges the Group pension scheme with the cost of administration and independent advisers paid by the Group. The total amount recharged in the year to 31st December 2004 was £0.2m (2003: £0.3m). The amount outstanding at the year end was £0.2m (2003: £0.1m).

The balance outstanding with Grange SA, an associated undertaking, is shown in note 15. The following transactions have been made with Grange SA during the year:

	2004 £m	2003 £m
Sales to associated undertaking	**0.5**	0.1
Purchases from associated undertaking	***0.2***	0.2

A loan of £0.3m has been entered into by Grange SA and is repayable over three years.

Notes to the accounts

30 Trading subsidiaries

The following is a list of the Company's principal trading subsidiaries at 31st December 2004. A brief description of the activities is given in the chief executive's review on pages 4 to 13. The share capital in each case consists, unless otherwise stated, wholly of ordinary shares or common stock. All companies are held by subsidiary undertakings, except for those marked ◆ in which case it is held directly by the Company.

Where subsidiaries are not wholly owned the percentage of owned capital is stated in brackets. Unless otherwise stated the companies are registered in England and operate in the United Kingdom.

Aga Consumer Products

Aga Consumer Products Limited trades in the UK principally under the trade and business names of:

Aga-Rayburn

Rangemaster

Aga Foodservice Equipment

Aga Foodservice Equipment Limited trades in the UK principally under the trade and business names of:

AFE Online

AFE Serviceline

Falcon Foodservice Equipment

Mono Equipment

Williams Refrigeration

Principal overseas businesses:

Adamatic, A Corporation (USA)

Belshaw Bros., Inc (USA)

Bongard SA (France)

Domain, Inc (USA)

La Cornue SA (France)

Ming Fai Stainless Steel Catering Equipment Manufacturing Co Limited (Hong Kong) (2003: 56.8%)

Northland Corporation (USA)

Pavailler Holding SAS (France)

Victory Refrigeration LLC (USA)

Williams Refrigeration Limited (Australia) ◆

Other principal businesses:

Elgin & Hall Limited

Fired Earth Limited ◆

Millers Vanguard Limited

Williams Refrigeration Central Limited (80%)

Central Services

AFG Properties Limited ◆

AFG Corporate Services Limited ◆

Independent auditors' report

To the members of Aga Foodservice Group plc

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. We have also audited the disclosures required by Part 3 of Schedule 7A to the Companies Act 1985 contained in the directors' remuneration report ('the auditable part').

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements and the auditable part of the directors' remuneration report in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including this opinion, has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 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 whether the financial statements and the auditable part of the directors' remuneration report have been properly prepared in accordance with the Companies Act 1985. 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. We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the directors' report, the unaudited part of the directors' remuneration report, the chairman's statement, the chief executive's review, the corporate governance statement and the statement of corporate social responsibility.

We review whether the corporate governance statement reflects the Company's compliance with the nine provisions of the 2003 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Company's or Group's corporate governance procedures or its risk and control procedures.

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 and the auditable part of the directors' remuneration report. 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 and the auditable part of the directors' remuneration report 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 and the auditable part of the remuneration report.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31st December 2004 and the profit and cash flows of the group for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- those parts of the directors' remuneration report required by Part 3 of Schedule 7A to the Companies Act 1985 have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Birmingham

18th March 2005

Five year financial history

Trading results	2004 £m	2003 £m	2002 £m	2001 £m	2000 £m
Turnover	**435.0**	392.4	330.3	370.3	969.1
Total operating profit before disposal of businesses and goodwill amortisation	**38.0**	33.2	30.9	26.2	101.5
Goodwill amortisation	**(8.0)**	(8.0)	(6.5)	(6.6)	(15.1)
Total operating profit	**30.0**	25.2	24.4	19.6	86.4
Net interest receivable / (payable)	**0.6**	0.9	3.2	5.6	(19.6)
Profit before disposal of businesses	**30.6**	26.1	27.6	25.2	66.8
Disposal of businesses	**-**	1.8	–	–	(36.0)
Profit before tax	**30.6**	27.9	27.6	25.2	30.8
Tax	**(7.1)**	(5.6)	(7.4)	(7.9)	(22.1)
Profit after tax	**23.5**	22.3	20.2	17.3	8.7

Balance sheet summary

Net operating assets	2004	2003	2002	2001	2000
Fixed assets	**78.6**	73.2	62.2	49.0	288.2
Stocks	**70.2**	61.3	52.0	36.8	194.4
Operating debtors less creditors and provisions	**(16.2)**	(13.5)	(25.7)	(24.4)	(53.2)
Total net operating assets before intangibles	**132.6**	121.0	88.5	61.4	429.4
Intangibles	**136.8**	140.7	139.3	98.2	275.8
Total net operating assets	**269.4**	261.7	227.8	159.6	705.2
Investments	**6.5**	5.8	2.8	–	–
Tax and dividends	**(17.3)**	(14.8)	(14.0)	(16.4)	(24.2)
Total net cash / (borrowings)	**25.1**	29.6	55.5	116.1	(304.3)
Total net assets employed	**283.7**	282.3	272.1	259.3	376.7
Financed by					
Ordinary shares	**31.5**	32.4	32.3	31.9	60.6
Reserves	**252.0**	249.5	239.4	227.0	314.8
Total shareholders' funds	**283.5**	281.9	271.7	258.9	375.4
Minority interests	**0.2**	0.4	0.4	0.4	1.3
Total funds	**283.7**	282.3	272.1	259.3	376.7

Statistics		2004	2003	2002	2001	2000
Operating profit before disposal of businesses and goodwill *amortisation to turnover*	%	**8.7**	8.5	9.4	7.1	10.5
Dividend per ordinary share	p	**8.3**	7.2	6.0	5.0	13.2
Earnings per share						
Basic	p	**18.4**	17.2	15.6	9.8	3.5
Diluted	p	**18.3**	17.1	15.6	9.8	4.1
Basic - before disposal of businesses and goodwill amortisation	p	**24.7**	23.3	20.7	13.3	22.6

Notice of Annual General Meeting

Notice is hereby given that the sixty fourth Annual General Meeting (AGM) of Aga Foodservice Group plc will be held at the Britannia Suite, The National Motorcycle Museum, Coventry Road, Bickenhill, Solihull B92 0EJ on 5th May 2005 at 12 noon to transact the following business:

Ordinary business:

1. To receive and adopt the Annual Report and Accounts for the year ended 31st December 2004.
2. To declare a final dividend.
3. To re-elect S Rennie as a director.
4. To re-elect J D Lovering as a director.
5. To re-elect H M Mahy as a director.
6. To receive and adopt the directors' remuneration report for the year ended 31st December 2004.
7. To re-appoint the auditors, PricewaterhouseCoopers LLP, to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
8. To authorise the directors to determine the auditors' remuneration.
9. To consider the following resolution, which will be proposed as an ordinary resolution:

   That the authority conferred on the directors by article 4(B) of the Company's Articles of Association be renewed for the period expiring on the earlier of the date 15 months after the passing of this resolution and the conclusion of the next AGM of the Company following the passing of this resolution and for that period the 'section 80 amount' is £10,513,842.
10. Subject to the passing of the foregoing resolution no. 9, to consider the following resolution, which will be proposed as a special resolution:

    That the power conferred on the directors by article 4(C) of the Company's Articles of Association be renewed for the period expiring on the earlier of the date 15 months after the passing of this resolution and the conclusion of the next AGM of the Company following the passing of this resolution and for that period the 'section 89 amount' is £1,577,076.

Special business:

11. To consider the following resolution, which will be proposed as a special resolution:

    That the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of section 163(3) of the Companies Act 1985) of ordinary shares of 25p in the capital of the Company ('ordinary shares') provided that:

(a) the maximum aggregate number of ordinary shares authorised to be purchased is 12,616,611 (representing 10 per cent of the issued ordinary share capital);

(b) the minimum price which may be paid for an ordinary share is 25p (exclusive of expenses and taxes (if any) payable by the Company);

(c) the maximum price which may be paid for an ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that ordinary share is purchased (exclusive of expenses and taxes (if any) payable by the Company);

(d) this authority expires on the earlier of the date 12 months after the passing of this resolution and the conclusion of the next AGM of the Company following the passing of this resolution; and

(e) the Company may make a contract to purchase ordinary shares under this authority before the expiry of the authority, and may make a purchase of ordinary shares in pursuance of any such contract.

By order of the board
P M Sissons
Secretary
Solihull
4th April 2005

P.M. Sissons

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his or her stead. A proxy need not be a member of the Company.
2. For the convenience of ordinary shareholders who may be unable to attend the meeting, a form of proxy is enclosed which should be completed,

Notice of Annual General Meeting

signed and returned so that it arrives at the office of the Company's registrars not less than forty-eight hours before the time of the meeting.

3. You may, if you wish give your voting instructions electronically by logging on to the website www.sharevote.co.uk You will need your Voting Reference Number (this is the twenty-four digit number printed below your name on the form of proxy). Full details of the procedure are given on the website. If however you have registered for a Shareview portfolio, log on to your portfolio at www.shareview.co.uk and click on "Company Meetings". Your voting instructions must be received by Lloyds TSB Registrars at least forty-eight hours before the time of the meeting. Please note that any electronic communication that is found to contain a computer virus will not be accepted.

4. The fact that shareholders have submitted forms of proxy will not prevent them from attending and voting in person should they afterwards decide to do so.

5. Only members whose name appears on the register of members of the Company as at 6pm on Tuesday 3rd May 2005 shall be entitled to attend the AGM either in person or by proxy and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast at the meeting. Changes to entries on the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

6. Copies of the contracts of service of directors (unless expiring or determinable by the Company within one year without payment of compensation) and the register of directors' interests in shares in the Company will be available for inspection at the Company's registered office between 9:00am and 5:00pm on any weekday (Saturdays and public holidays excluded) from the date of this notice up to and including the day before the meeting, and also at the place of the meeting for 15 minutes prior to the meeting and during the meeting.

7. An explanation of resolutions 9 to 11 (inclusive) is set out in the Report of the Directors on pages 16–17 under the heading 'Share Capital'.

2005 financial calendar

Record date for final ordinary dividend	29th April 2005
Annual General Meeting	5th May 2005
Final ordinary dividend payable	3rd June 2005
Record date for interim ordinary dividend	11th November 2005
Interim ordinary dividend payable	7th December 2005

Main addresses & advisers

Head office and registered office

4 Arleston Way
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Solihull
B90 4LH
Telephone: 0121 711 6000
Fax: 0121 711 6001
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Website: www.agafoodservice.com
Registered in England No. 354715

Registrars

Lloyds TSB Registrars
The Causeway
Worthing
West Sussex
BN99 6DA
Telephone (Helpline): 0870 600 3953

Auditors

PricewaterhouseCoopers LLP

Financial advisers and joint stockbrokers

Dresdner Kleinwort Wasserstein

Joint stockbrokers

Collins Stewart

Printed on paper which is made from wood fibre from sustainable forests, is fully recyclable and biodegradable, totally chlorine free and produced at a mill that holds ISO 14001 certification

Designed and produced by Mulvihill Mitchell Ltd 0121 585 7010
Printed by Renaultprint Ltd 0121 356 0331

Web addresses

Aga Foodservice Group plc
www.agafoodservice.com

CONSUMER PRODUCTS

Agalinks
www.agalinks.com

Aga Ranges
www.aga-ranges.com

Aga-Rayburn
www.aga-rayburn.co.uk

Cookware and accessories
www.agacookshop.com

Domain
www.domain-home.com

Elgin and Hall
www.elgin.co.uk

Fired Earth
www.firedearth.com

Grange
www.grange.fr

La Cornue
www.la-cornue.com

Northland-Marvel
www.marvelindustries.com
www.northlandnka.com

Rangemaster
www.rangemaster.co.uk

FOODSERVICE PRODUCTS

Adamatic
www.adamatic.com

AFE Online
www.afeonline.co.uk

AFE Serviceline
www.service-line.co.uk

Belshaw Brothers
www.belshaw.com

Bongard
www.bongard.fr

Esmach
www.esmach.it

Falcon Foodservice Equipment
www.falconfoodservice.com

Millers Vanguard
www.millersvanguard.co.uk

Mono Equipment
www.monoequip.com

Pavailler
www.pavailler.com

Victory Refrigeration
www.victory-refrig.com

Williams Refrigeration
www.williams-refrigeration.co.uk

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