

**CRANSWICK plc: CONTINUED GROWTH  
DELIVERS RECORD PROFITS**

Cranswick plc (“Cranswick” or “the Company”), the food producer, announces its audited results for the year ended March 31 2008.

Highlights:

- Turnover increased by 17 per cent to £599m (2007: £510m)
- Pre-tax profit up 8 per cent at £35.3m (2007: £32.7m)\*
- Earnings per share rose 11 per cent to 55.9p (2007: 50.2p)\*
- Recommended final dividend of 13.4p per share, an increase of 10 per cent
- Strong sales increases in both food and pet businesses
- Continuing investment in facilities
- Board confident of further successful development

*\* including exceptional gains*

Cranswick Chairman, Martin Davey, said: “Turnover in the food activities was 17 per cent higher than the previous year which was particularly pleasing. The pet division had a good year.

“Major projects encompassing the integration of DeliCo and the commissioning of the new ‘air-dried bacon’ factory were completed during the year and the benefits they bring are important elements of our strategic growth plans.

“The Board’s strategy has been to establish a presence in a number of related and growing areas of the food sector. Within this sphere of activities, the Company has focused on premium categories which have been the stronger growing areas of the market.

“This strategy, which has been coordinated through acquisitive and organic developments, has delivered strong growth for Shareholders. The Board is confident that Cranswick, with its modern, efficient facilities producing a range of quality products appealing to the taste of today’s consumer, can continue to generate strong growth in its business.

“The Company has had to absorb increases in its cost base during the second half of the year and further increases are anticipated. Cost increases to date are being incorporated into selling prices on a phased basis, as anticipated, during the first quarter of the new financial year.

“With this positive development and with the underlying growth in the categories in which we operate set to continue, we look forward to Cranswick’s further successful development”.

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# CHAIRMAN'S STATEMENT

## ***Continued growth delivers record profits***

The past year has seen continued growth for Cranswick.

Turnover, which has been restated in accordance with IAS 18, rose 17 per cent to £598.9 million and profit before tax rose 8 per cent to £35.3 million. Earnings per share rose 11 per cent to 55.9 pence.

The results for both this year and last year include the benefit of exceptional gains. This year the amount is £1.6 million and is principally attributable to the sale of the feed milling business, reported to Shareholders previously. The balance relates to other asset disposals as does the exceptional gain of £0.3 million in the previous year.

Prior to these exceptional gains profit before tax increased by 4 per cent to £33.7 million and earnings per share were up by 4 per cent to 51.9 pence per share.

There were strong increases in sales in both the food and pet businesses and this is considered in more detail in the review of activities.

Turnover in the food activities was 17 per cent higher than the previous year which was particularly pleasing. As indicated to Shareholders earlier in the year the Company came under margin pressure as a result of sales price deflation, rising raw material prices in the second half of the year and the devaluation of sterling against the euro, the latter, in particular, impacting the charcuterie business. As is usual, there is a time lag before increased costs suffered by manufacturers can be reflected in selling prices. I am pleased to report that following increased selling prices in the primary processing activities towards the end of the year we are now also starting to see selling price increases in our further processing activities.

Major projects encompassing the integration of DeliCo, acquired in November 2006, and the commissioning of the new 'air-dried bacon' factory were completed during the year and the benefits that they bring are important elements of our strategic growth plans. During the year the minority shareholding in the bacon business was acquired. All Cranswick businesses are now wholly owned.

The pet business, which accounts for 7 per cent of overall Company sales, had a good year and saw turnover rise by 29 per cent. The aquatics activity had to cope with the disruption of a fire at the Chorleywood site in December 2006 but still went on to deliver record results. The premises damaged by the fire were replaced and the site was fully operational a year later. The pet products business was impacted by soaring raw material costs early in the year but recovered strongly during the second half as these were incorporated into increased selling prices.

## ***Cash generation a key feature***

The cash generated from operations was strong at £40.2 million, notwithstanding an increase in working capital of £8.6 million. Tax, interest and dividend payments amounted to £22.1 million and the cash spent on the purchase of fixed assets, as part of the strategy for continued growth, was more than double the previous year at £25.3 million. This produced a cash outflow of £1.8 million, leaving year-end net borrowings at £78.4 million, 50 per cent of shareholders funds. The total borrowing facility available to the Group at the year-end was substantially ahead of that figure. Interest cover improved from 7.9 to 8.3 times.

## ***Dividend increase of 10 per cent***

The Board is proposing an increase in the final dividend of 10 per cent to 13.4p per ordinary share. Along with the interim dividend of 6.5p per share paid in January 2008 this makes a total for the year of 19.9p per ordinary share, an increase of 10 per cent on last year's 18.1p. The final dividend, if approved by Shareholders, will be paid on 5 September 2008 to Shareholders on the register at the close of business on 4 July 2008. Shareholders will again have the option to receive the dividend by way of scrip issue.

## ***Board confident in its strategy for Cranswick***

The Board's strategy in developing the business has been to establish a presence in a number of related and growing areas of the food sector emanating from its origins in pig feed and pig production. This has seen the Company establish a significant presence within fresh pork, cooked meats, bacon, sausage, charcuterie and sandwiches. Within this sphere of activities the Company has focused on premium categories which have been the stronger growing areas of the market. The activities in the pet sector evolved from the original agribusiness activity and once again the Company has a presence in growth categories.

This strategy, which has been coordinated through acquisitive and organic developments, has delivered strong growth for Shareholders. Over the past 10 years, compound annual rates of growth in turnover, profit before tax, earnings per share and dividends per share have all been well into double digits. The Board is confident that Cranswick with its modern, efficient facilities producing a range of quality products which appeal to the tastes of today's consumer can continue to generate strong growth in its business over the next 10 years.

***Board change***

Following a period of illness Noel Taylor resigned from the Board in March 2008. Noel joined the Board in 1992 as managing director of the cooked meat operation and has been a non-executive director since 1999. On behalf of everyone at Cranswick, I would like to thank Noel for the contribution he has made to the business and wish him well in his recovery.

***The key asset of the business is the staff***

The results for the past year have been delivered by operational management teams at each of our business units who possess great expertise and who have been supported by an enthusiastic and talented team of employees. To all of these, many of whom have an interest in the share capital of the Company through share ownership and employee share option schemes, I extend the thanks and appreciation of the Board.

***We look ahead with confidence***

The Company has had to absorb increases in its cost base during the second half of the year and further increases are anticipated. Cost increases to date are being incorporated into selling prices on a phased basis, as anticipated, during the first quarter of the new financial year. With this positive development and with the underlying growth in the categories in which we operate set to continue, we look forward to Cranswick's further successful development.

Martin Davey  
Chairman

19 May 2008

## Review of Activities

**Food** – by the Chief Executive Bernard Hoggarth

### **Year of continued growth**

It is very pleasing to be able to report continued growth in food group sales over the past year. Sales grew by 17 per cent in the year to £559 million. Almost 80 per cent of these sales (£440 million) were to our multiple retail customers. Food service growth continued to be strong too, with sales in excess of £38 million. The food group's focus continues to be in the premium sector.

During the second half of the year raw material inflation was experienced across most categories which impacted margins. The process of passing on this inflation to our customers and ultimately to the consumer is challenging, due to the competitive nature of the retail sector. Our teams have worked tirelessly on these 'inflation' projects and I am pleased to report that there was some success in quarter four, and this has gained momentum into quarter one of the new financial year.

The fresh pork business based in East Yorkshire has now commenced work on a new primary processing facility. Construction work will be ring fenced and, I am pleased to say, will not interfere with the smooth running of the business. The project should be completed during 2009 and will make the site the most technically advanced pork processing plant in the UK. It also ensures the local pig farming community has a modern, efficient, well invested facility situated in the centre of the largest pig producing area in the country. Pork sales grew by 15 per cent in the year, with retail-packed volumes for the major multiples and our premium range of fresh pork particularly strong. Extra matured pork in this premium range is produced from an outdoor-based system with farmers using a specialist breed of pig and sire line. The food group will be supplying its summer eating range of pork products for the barbecue season to its major retail customers.

Gourmet sausage sales were buoyant during the year with sales increasing by 19 per cent. We successfully launched our new brand 'Simply Sausages' into the retail sector and further listings are expected during the year. We also produce, under licence, the 'Weight Watchers' sausage range. New production capacity was tested to the limit at Christmas and it proved to be the most successful period ever in the factory with 100 per cent customer service levels, and volume peaking the week prior to Christmas at almost 500 tonnes of sausages. New business wins have helped bolster sales and offer further opportunities for growth going forward.

I am pleased to report that the new Cranswick Gourmet Bacon Company facility, one of the largest projects undertaken in the business, was completed on time. With the new site operational, it enabled us to achieve 100 per cent service levels during the hectic Christmas build up. This was even more satisfying considering the level of labour intensive products manufactured at this time of year. Sales grew by a very pleasing 44 per cent year on year. In a relatively new and developing area for the group, we are delighted with this growth. We successfully launched gammon joints, applewood smoked back bacon, organic variations and we also commenced the slicing and packing of product under the 'Weight Watchers' brand. We were delighted that the 'Taste the Difference' applewood smoked back bacon received The Grocer's own label excellence award recently. The final phase of the site development was the recent installation of a 'Wiltshire curing' facility. The Wiltshire curing process is one of the oldest, traditional methods of curing bacon. In our true gourmet style, we will additionally air dry the product to further enhance the flavour and eating experience. The sales shift into the premium sector seems finally to have arrived in the bacon category. With our new facility we are well placed to capitalise on this trend.

Cranswick Convenience Foods, the cooked meat business, had a very busy year with the integration of the DeliCo facility and the introduction of additional business wins into that site. This, along with organic growth, increased sales by 32 per cent. Operating from five sites and producing deli products as well as pre-packed sliced meats, the business cooks beef and poultry as well as pork based products. The cooked meat business experienced significant raw material inflation during the final quarter, which in the case of beef and turkey was exceptional and of such magnitude that the absorption of these increased costs proved difficult. Extra volume and revenue growth helped the business dilute some of this cost and supported margins until price increases were achieved. The UK pre-packed cooked meat market grew by almost 4 per cent in the past year, but the deli market contracted by just over 1 per cent. These trends are a major focus for the cooked meat business and together with customers' changing shopping habits and their desire for new and inspirational products is the reason we have a large new product development team of seventeen chefs and technicians spread around the Convenience Foods production facilities.

Continental Fine Foods (CFF) sales increased by 20 per cent as the consumer trend to try new continental products continues. New products in the Italian range were launched, from which we anticipate strong growth. Hand-made 'artisan' fresh Italian pasta has recently been launched. This project so typifies the role of CFF today. The procurement team received their brief and after much searching, a family firm who produced hand-made pasta products near Modena, in Italy, was identified. We believed the provenance and quality of the 'home-made' pasta and fillings were exceptional. We helped the Italian producer achieve its factory accreditation, assisted in the development of ranges for the UK market and arranged visits to Italy by our customer's technical and development teams. The range was launched, with CFF arranging importation and distribution. We are soon to launch a range of speciality pâtés by the celebrated chef Albert Roux and again this underlines the quality focus of our food business. In addition to raw material inflation, the CFF business had to cope with the devaluation of sterling against the euro in the second half of the year although the impact on the business was mitigated to some extent by the use of forward exchange contracts.

The Sandwich Factory sales rise of 7 per cent was pleasing and ahead of market rates. The development of the customer base whilst causing some initial impact on margins, looks set to put the business in a stronger position going forward. The business suffered cost inflation in bread and dairy products, but enters the new financial year with more volume and margin recovery underway.

It is a credit to our technical teams across the group that all ten food production sites operate from BRC (global standard) 'A' grade facilities. As a business we believe that as well as being innovative and efficient food producers we must also be very aware of the 'impact on the environment' from our operations. As such, we work with the Carbon Trust and we are the first meat sector company to sign up to FHC2000, with a target of reducing our processed water usage by 20 per cent over the next twelve years. We have set up, through ENVIROWISE, inspections of all sites to establish the carbon footprint for the individual business units and also to establish current usage for water, energy, waste, packaging and emissions expressed per tonne of finished product produced. By using environmental KPI's our site directors are responsible for reporting progress to the Board going forward, and reducing the environmental impact in subsequent years.

Substantial investment over recent years has given Cranswick some of the most modern and efficient facilities in the industry. Our excellent, experienced management teams, with their focus on quality, product development and innovation set us apart from many of our competitors. We are also well placed to continue benefiting from the premiumisation of many of the categories in which we operate. I feel confident that going forward the business is well placed to continue its record of growth.

**Pet** – by the Chief Executive Derek Black

**Strong growth with sales up 29 per cent at £39.7 million (2007 – £30.6 million) with increased sales in both pet and aquatics**

Pet Products delivered a strong performance in both bird and small animal food with sales up substantially, reflecting excellent growth in both convenience and bulk pack. During the first half of the year the business suffered from spiralling global raw material prices, which impacted margins. This issue was subsequently rectified by way of increased selling prices.

New product launches continue to be at the heart of business expansion with 30 new products being brought to market during the year. It is pleasing to note that sales of wild bird accessories have benefited from this investment with year on year growth of some 80 per cent, with a further 25 new products on stream for this season. The Nature's Feast brand is now recognised as one of the category leaders and represents innovation, quality, functionality and excellent value for money.

Our development strategy remains unchanged. The focus has been on high street budget retail, national grocery and pet retail chains, wholesale discount multiples, retail membership groups and mail order and we have enjoyed continued growth.

During the year we obtained the Investors in People (IIP) award. This will be the platform for other accreditations in our structured development. The environment is at the forefront of our decision-making and in excess of 85 per cent of waste produced at the Driffield site is recycled. As an example, hessian sacks from supplies of raw materials are being processed into hanging basket liners.

We have streamlined operations, centralised our raw material holding facilities and leased a 50,000 sq ft warehousing facility situated close to the Pet Products site at Driffield.

Tropical Marine Centre (TMC) delivered increased sales, despite the disruption caused by a major fire at the Chorleywood facility in December 2006 which has been previously reported. I am pleased to confirm that the re-build and fit out was completed on time and the business has relocated from temporary accommodation in Watford. Sales of marine livestock were boosted by exclusive access to new fisheries at the Great Barrier Reef in Australia, which became available for the first time. Dry goods sales benefited from a strong year for new product introductions in TMC's highly popular and award winning V2 range. This included products like the V2Skim which is specially designed to fit in the growing range of smaller reef tanks. The V2 range has greatly widened the appeal and affordability of the marine hobby, helping to sustain strong growth in the sector. Other new products included a greatly enlarged and rebranded range of Gamma frozen foods. We have also developed a range of eco-friendly, low carbon footprint LED lighting systems under the Aquaray brand. The "Aquabeam 500" is the first product to be launched under this range and is the first affordable solid state lighting system of its kind, affording substantial energy savings on conventional lighting systems. We believe this product will suit many other business applications and is just the start of many future opportunities.

The two satellite sites at Manchester and Bristol continue to perform above expectation and this has provided us with the confidence to expand operations into mainland Europe. We have secured a site under a leasehold arrangement in Lisbon, Portugal and this will be fully operational in early autumn, servicing customers in major towns and cities throughout Portugal and Spain.

We have the most advanced pet food manufacturing and aquatic facilities in Europe which, along with dedicated staff and strong management teams, will drive our expansion plans over the years ahead.

**CRANSWICK plc: AUDITED GROUP INCOME STATEMENT**  
Year ended 31 March 2008

	Notes	2008			2007 (Restated)		
		Before exceptionals	Exceptionals	Total	Before exceptionals	Exceptionals	Total
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Revenue</b>	2	598,893	-	598,893	510,483	-	510,483
Cost of sales		(513,701)	-	(513,701)	(425,383)	-	(425,383)
<b>Gross profit</b>		85,192	-	85,192	85,100	-	85,100
Operating expenses		(46,824)	-	(46,824)	(48,024)	-	(48,024)
<b>Operating profit</b>	2	38,368	-	38,368	37,076	-	37,076
Profit on disposal of property, plant and equipment		-	1,622	1,622	-	281	281
<b>Profit before finance and taxation</b>		38,368	1,622	39,990	37,076	281	37,357
Finance revenue		4	-	4	6	-	6
Finance costs		(4,650)	-	(4,650)	(4,707)	-	(4,707)
<b>Profit before tax</b>		33,722	1,622	35,344	32,375	281	32,656
Taxation		(9,874)	187	(9,687)	(9,773)	(229)	(10,002)
<b>Profit for the year</b>		<b>23,848</b>	<b>1,809</b>	<b>25,657</b>	<b>22,602</b>	<b>52</b>	<b>22,654</b>
<b>Profit for the year attributable to:</b>							
Equity holders of the parent		23,796		25,605	22,522		22,574
Minority interest		52		52	80		80
		<b>23,848</b>		<b>25,657</b>	<b>22,602</b>		<b>22,654</b>
<b>Earnings per share: (total and continuing)</b>							
Basic	3	51.9p	4.0p	55.9p	50.1p	0.1p	50.2p
Diluted	3	51.6p	3.9p	55.5p	49.7p	0.1p	49.8p

**CRANSWICK plc: AUDITED GROUP STATEMENT OF RECOGNISED  
INCOME AND EXPENSE  
Year ended 31 March 2008**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
<b>Income and expense recognised directly in equity</b>		
Movement on hedging items:		
Amount recognised in equity during the period	<b>504</b>	271
Amount removed from equity and included in the income statement	<b>196</b>	98
Exchange differences on retranslation of foreign operations	<b>(17)</b>	(5)
Deferred tax recognised directly in equity	<b>(725)</b>	300
Corporation tax recognised directly in equity	<b>88</b>	712
<b>Net income recognised directly in equity</b>	<b>46</b>	1,376
Profit for the year	<b>25,657</b>	22,654
<b>Total recognised income and expense for the year</b>	<b>25,703</b>	24,030
Attributable to:		
Equity holders of the parent	<b>25,651</b>	23,950
Minority interest	<b>52</b>	80
	<b>25,703</b>	24,030

**CRANSWICK plc: AUDITED GROUP BALANCE SHEET**  
**31 March 2008**

	Notes	2008 £'000	2007 £'000
<b>Non-current assets</b>			
Goodwill		117,756	117,520
Property, plant and equipment		<u>92,721</u>	<u>80,277</u>
		<u>210,477</u>	<u>197,797</u>
<b>Current assets</b>			
Inventories		30,638	24,626
Trade and other receivables		77,348	66,416
Other financial assets		1,029	330
Cash and cash equivalents		<u>3,770</u>	<u>2,262</u>
<b>Total current assets</b>		<u>112,785</u>	<u>93,634</u>
<b>Total assets</b>		<b>323,262</b>	<b>291,431</b>
<b>Current liabilities</b>			
Trade and other payables		(73,025)	(65,073)
Other financial liabilities		(31,811)	(16,933)
Income tax payable		(3,798)	(3,834)
Provisions		<u>(153)</u>	<u>(289)</u>
<b>Total current liabilities</b>		<u>(108,787)</u>	<u>(86,129)</u>
<b>Non-current liabilities</b>			
Other payables		(8)	(37)
Other financial liabilities		(50,414)	(61,544)
Deferred tax liabilities		(7,463)	(6,150)
Provisions		<u>(1,336)</u>	<u>(1,736)</u>
<b>Total non-current liabilities</b>		<u>(59,221)</u>	<u>(69,467)</u>
<b>Total liabilities</b>		<b>(168,008)</b>	<b>(155,596)</b>
<b>Net assets</b>		<u>155,254</u>	<u>135,835</u>
<b>Equity</b>			
Called-up share capital	6	4,623	4,595
Share premium account	6	48,693	47,204
Share-based payments	6	1,939	1,018
Hedging and translation reserves	6	1,034	351
Retained earnings	6	<u>98,965</u>	<u>82,564</u>
<b>Equity attributable to members of the parent company</b>		<b>155,254</b>	<b>135,732</b>
Minority interests		<u>-</u>	<u>103</u>
<b>Total equity</b>		<u>155,254</u>	<u>135,835</u>

**CRANSWICK plc: AUDITED GROUP CASH FLOW STATEMENT**  
**Year ended 31 March 2008**

	Notes	2008 £'000	2007 £'000
<b>Operating activities</b>			
Profit before finance and taxation		39,990	37,357
<i>Adjustments to reconcile group operating profit to net cash inflows from operating activities</i>			
Depreciation		10,090	9,252
Share based payments		921	487
Release of government grants		(29)	(39)
Profit on sale of property, plant and equipment		(2,170)	(250)
Increase in inventories and biological assets		(6,077)	(5,329)
Increase in trade and other receivables		(10,209)	(9,141)
Increase in trade and other payables		7,732	9,493
Cash generated from operations		40,248	41,830
Tax paid		(9,046)	(7,936)
<b>Net cash from operating activities</b>		<b>31,202</b>	<b>33,894</b>
<b>Cash flows from investing activities</b>			
Interest received		4	6
Acquisition of subsidiaries		(54)	(13,506)
Purchase of property, plant and equipment		(25,295)	(11,979)
Proceeds from sale of property, plant and equipment		4,228	1,147
Proceeds from sale of subsidiary		500	-
<b>Net cash used in investing activities</b>		<b>(20,617)</b>	<b>(24,332)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(5,332)	(3,966)
Proceeds from issue of share capital		683	1,776
Proceeds from borrowings		-	10,000
Issue costs of long-term borrowings		-	(40)
Repayment of borrowings		(5,420)	(11,395)
Dividends paid		(7,734)	(6,467)
<b>Net cash used in financing activities</b>		<b>(17,803)</b>	<b>(10,092)</b>
Net decrease in cash and cash equivalents		(7,218)	(530)
Cash and cash equivalents at beginning of period		(494)	46
Effect of foreign exchange rates		14	(10)
<b>Cash and cash equivalents at end of period</b>	5	<b>(7,698)</b>	<b>(494)</b>

# Notes to the preliminary announcement

## 1. Basis of preparation

The income statements for the years ended 31 March 2008 and 2007 are not statutory accounts within the meaning of Section 240 (5) of the Companies Act 1985. The auditors of Cranswick plc, Ernst & Young LLP, have made a report under Section 235 of the Act on the statutory accounts of Cranswick plc for the financial year ended 31 March 2007. Such report was unqualified and did not contain a statement under 237(2), (3) or (4) of the Act and such accounts have been delivered to the Registrar of Companies. The statutory accounts for the year ended 31 March 2008 incorporate an unqualified audit report (which does not contain a statement under Section 237 (2), (3) or (4) of the Act) and which will be delivered to the Registrar of Companies following the Annual General Meeting of Cranswick plc.

The financial statements have been prepared under IFRS as adopted by the European Union. The Company's accounting policies can be found in the statutory accounts and are consistent with the prior year.

### Restatement

The directors have reclassified £14.3 million in 2007 from cost of sales and operating costs to revenue in respect of discounts and similar allowances, a presentation which more appropriately reflects the nature of these amounts. There is no impact on gross margin, net profit or earnings per share.

## 2. Segmental analysis

	Turnover		Operating profit	
	2008	2007 (Restated)	2008	2007
	£'000	£'000	£'000	£'000
<b>Food</b>	<b>559,228</b>	479,839	<b>39,275</b>	38,936
<b>Pet</b>	<b>39,665</b>	30,644	<b>1,885</b>	566
	<b>598,893</b>	510,483	<b>41,160</b>	39,502
<b>Central costs</b>			<b>(2,792)</b>	(2,426)
			<b>38,368</b>	37,076
<b>Exceptionals</b>			<b>1,622</b>	281
<b>Group total</b>			<b>39,990</b>	37,357
<b>Finance costs</b>			<b>(4,646)</b>	(4,701)
<b>Profit before tax</b>			<b>35,344</b>	32,656

## 3. Earnings per share

Basic earnings per share are based on profit attributable to Shareholders and on the weighted average number of shares in issue during the year of 45.8 million shares (2007: 45.0 million shares). The calculation of diluted earnings per share is based on 46.1 million shares (2007: 45.3 million shares).

## 4. Dividends

Subject to Shareholders' approval the final dividend will be paid on 5 September 2008 to Shareholders on the register at the close of business on 4 July 2008.

## 5. Analysis of changes in net debt

	At 31 March 2007 £'000	Cash flow £'000	Other non cash changes £'000	At 31 March 2008 £'000
Cash and cash equivalents	2,262	1,494	14	<b>3,770</b>
Overdrafts	(2,756)	(8,712)	-	<b>(11,468)</b>
	(494)	(7,218)	14	<b>(7,698)</b>
Other financial assets	306	-	(236)	<b>70</b>
	(188)	(7,218)	(222)	<b>(7,628)</b>
Revolving credit	(2,000)	(6,000)	-	<b>(8,000)</b>
Bank loans	(72,794)	11,250	(120)	<b>(61,664)</b>
Loan notes	(927)	170	(336)	<b>(1,093)</b>
Net debt	<b>(75,909)</b>	<b>(1,798)</b>	<b>(678)</b>	<b>(78,385)</b>

## 6. Reconciliation of movements in equity

	Attributable to equity holders of the parent						Total	Minority Interest	Total Equity
	Share capital	Share premium	Share based payments	Hedging reserve	Translation reserve	Retained earnings			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2006	4,467	40,797	531	(40)	27	66,604	112,386	36	112,422
Cash flow hedges	-	-	-	369	-	-	369	-	369
Exchange differences	-	-	-	-	(5)	-	(5)	-	(5)
Profit for the year	-	-	-	-	-	22,574	22,574	80	22,654
Exercise of options	65	1,711	-	-	-	-	1,776	-	1,776
Scrip dividends	15	1,144	-	-	-	-	1,159	-	1,159
Share issues	48	3,552	-	-	-	-	3,600	-	3,600
Share based payments	-	-	487	-	-	-	487	-	487
Deferred tax recognised directly in equity	-	-	-	-	-	300	300	-	300
Corporation tax recognised directly in equity	-	-	-	-	-	712	712	-	712
Purchase of Minority Interest	-	-	-	-	-	-	-	(13)	(13)
Dividends	-	-	-	-	-	(7,626)	(7,626)	-	(7,626)
<b>At 1 April 2007</b>	<b>4,595</b>	<b>47,204</b>	<b>1,018</b>	<b>329</b>	<b>22</b>	<b>82,564</b>	<b>135,732</b>	<b>103</b>	<b>135,835</b>
Cash flow hedges	-	-	-	700	-	-	700	-	700
Exchange differences	-	-	-	-	(17)	-	(17)	-	(17)
Profit for the year	-	-	-	-	-	25,605	25,605	52	25,657
Exercise of options	17	666	-	-	-	-	683	-	683
Scrip dividends	11	823	-	-	-	-	834	-	834
Share based payments	-	-	921	-	-	-	921	-	921
Deferred tax recognised directly in equity	-	-	-	-	-	(725)	(725)	-	(725)
Corporation tax recognised directly in equity	-	-	-	-	-	88	88	-	88
Purchase of Minority Interest	-	-	-	-	-	-	-	(155)	(155)
Dividends	-	-	-	-	-	(8,567)	(8,567)	-	(8,567)
<b>At 31 March 2008</b>	<b>4,623</b>	<b>48,693</b>	<b>1,939</b>	<b>1,029</b>	<b>5</b>	<b>98,965</b>	<b>155,254</b>	<b>-</b>	<b>155,254</b>

7. The Company intends to post the Report and Accounts to shareholders on 4 July 2008. Further copies will be available upon request from the Company Secretary, Cranswick plc, 74 Helsinki Road, Sutton Fields, Hull, HU7 0YW.