

Directors and Advisers	2
Five Year Record	2
Chairman's Statement	3
Business and Financial Review	6
Directors' Report	15
Remuneration Report	19
Corporate Governance	24
Consolidated Profit and Loss Account	30
Statement of Total Recognised Gains and Losses	30
Consolidated Balance Sheet	31
Company Balance Sheet	32
Consolidated Cash Flow Statement	33
Reconciliation of Net Cash Flow to Movement in Net Debt	33
Notes to the Accounts	34
Independent Auditors' Report	47
Notice of Annual General Meeting	49

directors & advisers

DIRECTORS

John Eric Harris CBE (Chairman)
 Daniel Bruce Harris (Chief Executive Officer)
 Andrew David Rose ACA
 Paul John Cannon
 Antonio Coda
 David John Brecher (Non-Executive)
 Sir Bill Cotton CBE (Non-Executive)
 Paul Edward Selway-Swift (Senior Non-Executive)
 Sir Digby Jones (Non-Executive)
 Bridget Blow (Non-Executive)

SECRETARY

John Edwin Malin FCA

REGISTERED OFFICE

Harvard House 14-16 Thames Road
 Barking, Essex IG11 0HX

STOCKBROKERS & FINANCIAL ADVISERS

Investec Henderson Crosthwaite
 2 Gresham Street
 London EC2V 7QP

SOLICITORS

Berwin Leighton Paisner
 Adelaide House London Bridge
 London EC4R 9HA

AUDITORS

UHY Hacker Young
 Chartered Accountants
 St Alphage House 2 Fore Street
 London EC2Y 5DH

PRINCIPAL BANKERS

The Royal Bank of Scotland plc
 135 Bishopsgate
 London
 EC2M 3UR

HSBC Bank plc
 27-32 Poultry
 London EC2P 2BX
 and
 1 Queen's Road
 Central Hong Kong

REGISTRARS & TRANSFER OFFICE

Capita Registrars
 The Registry, 34 Beckenham Road
 Beckenham, Kent BR3 4TU

PUBLIC RELATIONS ADVISERS

Weber Shandwick Square Mile
 Fox Court, 14 Grays Inn Road
 London WC1X 8WS

five year record

	31 March 2005	31 March 2004	31 March 2003	31 March 2002	31 March 2001
Turnover – Group and share of joint venture (£' millions)	763.5	617.7	528.0	440.1	383.5
– Less: share of joint venture (£' millions)	(98.9)	–	–	–	–
– Group (£' millions)	664.6	617.7	528.0	440.1	383.5
Profit before tax – Continuing operations (£' millions)	20.8	31.1	26.5	22.4	20.6
– Discontinued operations (£' millions)	–	–	2.9	(17.3)	(17.9)
– Total (£' millions)	20.8	31.1	29.4	5.1	2.7
EPS (p)	30.8	47.8	47.0	4.1	8.9

For the year to 31 March 2005 Alba returned a creditable performance in an increasingly tough high street environment.

The Group experienced five good trading months followed by seven poor months, as retailers experienced lower footfall and consumers became increasingly unwilling to purchase. In both the UK and overseas our consumer electronics operations, representing approximately two thirds of our business, performed less well than our domestic appliance, fitness and power products businesses.

Market conditions have not improved since the end of the year and it is not possible to predict when they will do so.

Financial Results

Alba plc (whole Group including Grundig)

Turnover for the year was £763.5 million (2004: £617.7 million). Profit before tax was £20.8 million (2004 : £31.1 million) and earnings per share were 30.8p (2004 : 47.8p). These profits are stated after amortisation of intangible assets of £0.9 million (2004 : £0.9 million).

Alba plc (excluding Grundig)

With increased promotional activity by our customers to combat the trading conditions, turnover increased to £664.6 million (2004 : £617.7 million) but margins suffered, and operating profit for the year fell to £20.9 million (2004 : £32.5 million) reflecting the more difficult marketplace as the year progressed. Operating profit for the important second half of the year, which is after taking account of a write down in the carrying value of some of our older style stock, was £12.5 million (2004 : £24.2 million).

Grundig

Our share of the Grundig turnover for the eleven month period since acquisition was £98.9 million (after having excluded sales from the Group to Grundig) and our share of the profit before tax was £1.5 million.

Shareholders' funds

Shareholders' funds increased by 10% during the year to £104.5 million (2004 : £95.0 million). Year end net debt was

£93.6 million as compared to £38.5 million last year.

Borrowings have increased as a result of a number of factors including the acquisition of Grundig (£29.9 million), and short term movements in working capital. These short term movements have substantially reversed since the year end with net debt at the end of May being materially in line with that at the end of May 2004.

Dividend

The Board is recommending a final dividend of 8.75p (2004 : 8.75p), making a total dividend for the year of 11.0p (2004 : 11.0p). This dividend is covered 2.8 times by the Group's earnings per share and will be paid on 24th October 2005 to shareholders on the register on 30th September 2005. The maintenance of the dividend reflects the Board's confidence in the continued strength of our businesses and the Group's ability to continue its pattern of long term, profitable growth when favourable market conditions return.

Review of Activities

Grundig

The acquisition was completed with effect from 1 May 2004. Turnover from the joint venture in the 11 month period was £222.0 million and it returned a profit of £3.0 million (including some one-off revenues) after charging amortisation of intangible assets of £0.8 million.

Grundig has met or slightly bettered our expectations in all respects. The work of rebuilding its main operations in Germany and the twelve independent European and Australian sales companies has been intense but successful. We have introduced improvements to Grundig's operating practices, personnel and product range and grown its customer base. There remains significantly more to do, particularly in terms of reducing costs further and improving margins, but we are pleased with the start that the Grundig joint venture has had.

Consumer Electronics UK

Our consumer electronics businesses were most affected during the year by the slowdown in consumer spending.

Some older style products such as conventional televisions, video recorders and portable CD players were particularly

slow to sell. More modern products such as DVD recorders, Plasma and LCD televisions, Digital Cameras and MP3 players sold well but at reduced margins, reflecting our customers' discounting and promotional activity in response to the very competitive retail climate.

The weak trading environment in the UK for discretionary purchases such as consumer electronics continues. We are in response focusing close attention on all areas of our cost base, on stock control and are undertaking initiatives to improve further our supply chain.

Domestic Appliances, Fitness and Power Products

Domestic, food preparation and personal care appliances enjoyed a good year. Sales across our full range of products, including the Hinari, Breville, Bush Domestic, Nicky Clarke, Viva and Antony Worrall-Thompson brands were satisfactory, with improved margins leading to a greater contribution than last year.

Our efforts over recent periods to improve the performance of our Power Products division are bearing fruit. Better products, management and distribution resulted in a significantly improved performance. These operations enjoyed a strong fourth calendar quarter of 2004, with good levels of activity continuing into 2005.

In its second year as a group brand Carl Lewis Fitness was once again very successful. We continue to expand its product range with the introduction of health and fitness products.

International

Consumer electronic products represent approximately 90% of Roadstar Europe's business. With conditions in Continental European markets in many respects worse than those in the UK, this division had a disappointing year, with static sales of around £90 million but margins also under pressure.

During the year we therefore took action to eliminate some underperforming product categories, such as air conditioning, and increased our focus on the newer products that will generate higher sales and margins when market conditions improve. Furthermore, we shall during the current year focus close attention on Roadstar's cost base.

Harvard Maritime, Hong Kong, performed satisfactorily, with sales of £43 million including £20 million in respect of sales to Grundig.

Board

I am pleased to announce that Bridget Blow joined the Board as a Non-Executive Director, with effect from 1 July 2005. Bridget has had a distinguished career as CEO of ITNET and is currently Group Technology Director of Serco. She has held a number of other directorships, including being a member of the Court of Directors of the Bank of England. Her expertise and experience will be of great benefit to the Group.

I am also pleased to confirm that David Brecher and Sir Bill Cotton have agreed to remain on the Board. Their services continue to be invaluable.

International Financial Reporting Standards

The Company will be required to adopt International Financial Reporting Standards (IFRS) for its year ending March 2006. Therefore, the announcement of interim results to September 2005 will incorporate IFRS. We believe that the changes will mainly result in differences to various accounting treatments including foreign currency hedging, share based remuneration and goodwill amortisation. It is our intention to restate the results for the year ended 31 March 2005 on an IFRS basis prior to our interim results, with an explanation of the major changes.

Special Business

You will see from the Notice convening the 2005 Annual General Meeting of the Company which appears on pages 49 and 50 that we are again proposing to shareholders the adoption of resolutions giving the Directors authority to allot shares, disapplying the statutory pre-emption rights in relation to the allotment of certain of those shares and renewing the authority of the Company to purchase its own shares within limits as to number of shares and price.

Outlook

Further to our trading statement in March, market conditions remain unhelpful and are likely to do so for some time. Alba continues to win market share and enjoys excellent listings for the all important Autumn/Winter season. Our appliances, fitness and power products businesses continue to do well. All our businesses are strong and our consumer electronics brands will be amongst the first to benefit when market conditions improve. In the meantime we shall continue to focus on developing excellent products, improving distribution and managing our cost base.

John E Harris CBE
8 July 2005

2005 Business Review

Alba Group's strategy is powered by organic development combined with targeted strategic acquisitions. This strategy is matched by comprehensive resource facilities – throughout the Group – which support both current operations and encourage expansion. This strategy has served the Group well and has allowed the Group to grow its mass market consumer electronics and electrical appliances in the UK, and Continental Europe, and to expand its operations to additional countries while entering new but related fields of business.

The year under review has been very demanding and has seen many changes on the High Street and elsewhere as retailers in all sectors have reacted to lower consumer demand, especially over the traditionally busy Christmas period. Alba plc has faced these challenges by presenting value-for-money across the broad sweep of its product ranges. In concert with its major retail customers, the company has supported promotional programmes designed to stimulate consumer demand, and to maximise the interest in new digital products and other specific sectors. Inevitably, such measures have resulted in pressure on margins; a penalty shared by all involved in the supply chain.

The joint venture acquisition of Grundig has enhanced the Group's existing position in its marketplace, and presents real potential for future growth in new geographic markets both within current and new product sectors. One of the strongest names in global consumer electronics, Grundig has valuable brand rights, trade marks, patents and other assets, together with national sales organisations in a number of countries, primarily within Continental Europe. This development has materially increased the Group's critical mass on the Continent whilst also opening very real global business opportunities. In addition to Germany, Grundig National Sales Offices or Sales Liaison/Distribution locations are based in Holland, Spain, Portugal, Italy, Norway, Sweden, Denmark, Finland, Switzerland, Poland, Hungary and Australia. These operations are directed through the joint venture now known as Grundig Multimedia BV.

Group policy gives priority to the development of major brands. Specifically, Alba, Bush, Goodmans, Roadstar (particularly in Continental Europe), Hinari, Betacom, Power Devil, Dirt Devil, JCB, Cable & Wireless and NTL, (the last four under licence), have all achieved substantial mass market positions

within their product areas. The acquisition of Pulse Home Products Ltd brought Breville, 'Antony Worrall Thompson' by Breville, Viva and Nicky Clarke Electric, into the Group. Ministry of Sound and Carl Lewis Fitness added two further brands under licence. These last two brands appeal particularly to the youth market, and the expanding health and fitness conscious population.

Investment in new technology is another important and constant factor. Alba's knowledge and experience of its markets, which has been enhanced by Grundig, combined with a close observation of trends around the world, ensures that it is well placed to offer the right products to its markets at the right time and at the right price. This requires both a capacity for careful forward planning and the flexibility to alter emphasis and direction as business backdrops, preferences and especially retail climates change. In addition to both industry and Government bodies, the Group works closely, and in partnership, with suppliers and retailers to anticipate and forecast consumer tastes and demands. This investment strategy, which is particularly finely focused in the rapidly changing area of consumer entertainment electronics and digital broadcasting media, ensures the Group is well placed to take advantage of popular demand, but as far as possible avoids exposure when changes occur that are beyond Alba's control. One example is MP3 Players; a particularly fast-growing consumer entertainment medium, especially within the youth sector, which are supplied in high quantities under a number of brands. We are expediting and expanding a range of Digital TV products, including FreeView, and remain one of the foremost developers of digital audio broadcasting (DAB).

Alba's success in securing and adapting new technologies and bringing products to the mass market has been made possible by the detailed co-ordination of wide-ranging resources. Currently the Group markets more than 2,800 products with sales in the United Kingdom, Continental Europe, the Middle East and to many other parts of the world. The task of maintaining strong saleability in all its markets, where differences in technical standards and national tastes exist, requires close attention to the detail of each product, its price point in the market related to its quality, reliability, design and packaging.

Group strategy is to develop and position subsidiary companies and divisions as key suppliers to the most important retailers in its fields, both in the UK, and overseas markets. It does this by

offering a comprehensive, extended range of volume selling, mass-market products, coupled with the best quality of service. Our customers are important to us, but we must be important to our customers.

Several key elements are fundamental to the fulfilment of this strategy: -

- The acquisition and development of brands well known to both retailers and consumers.
- The development of 'partnership' relationships with trade customers with, at their core, an effective interface between our teams and our customers' personnel at all levels. This interface, coupled with a thorough understanding both of our customers' needs and the dynamics of their businesses, allows us to target the services supporting our products, ensuring these meet changing customer needs and promote the smooth running of joint business relationships.
- The preservation of the independence and competitiveness of individual brands, their product development, identity and sales and marketing, combined with the centralisation of all other business and support activities into one Group unit. This successful recipe achieves operating efficiencies and the lowest possible cost base, leading to the most competitive pricing.
- The on-going development of a comprehensive and highly efficient sourcing operation, with concentrated buying power, to administer supplies and ensure on time deliveries and reliable standards of quality and safety from manufacturers in the Far East, Asia and Europe. This is achieved through active supplier quality assurance programmes and the placement of Group engineering and quality control personnel in the key manufacturing areas to monitor production and quality levels.
- Careful investment in the development of new products, embracing new technologies and designs, plus the achievement of technological leadership where volume appeal is confidently expected, combined with the timely offering of these products to meet customers' forward planning schedules for future selling seasons. This flexible and collaborative approach to product planning is complemented by comprehensive, UK based, in-house

Product Origination, Research & Design Centres. Together with specialist external advisors, these Centres further support customer needs with innovative products and packaging designs aimed at maximising popular appeal and sales impact.

- The maintenance of efficient, inward quality control and after sales service teams to provide easy, trouble-free sales for the retail trade and to retain the brand allegiance of consumers.
- The development of overall Group logistics, linked by the latest electronic communications and state of the art stock control and handling systems closely matched to business growth and changes in the markets to ensure the most cost effective and efficient support to our customers at all levels.

No other company in our field offers such a wide spread of products at keenly affordable prices under well-known brands. Within the United Kingdom our strategy enables us to count nearly all major retailers in our field as customers. We have leading market shares in such important areas as Colour Televisions, DVD, VCR, Audio Systems, Personal Stereos, MP3, In-Car Entertainment, Microwave Ovens, Kettles, Toasters, Sandwich Makers, Health Grills, Small Domestic Appliances, Personal Care, hand-held Vacuum Cleaners, Fitness Equipment, Power Tools and Power Garden Tools.

This successful UK blueprint is repeated in Continental Europe and further afield through Roadstar with its comprehensive management structure and important sales connections. The Roadstar brand is well known in its main markets, especially Italy, Switzerland (where its head office is based), and South Eastern Europe and is growing in the former Eastern Bloc countries. In these markets the brand recognition is comparable to Bush and Goodmans in the UK. Efficient, centralised resourcing, warehousing, accounting, servicing and distribution throughout Europe has enabled its continued sales drive in Continental Europe and other markets for Roadstar products and products under other Group brands, including JCB.

Group History

Since the Group was founded in 1963, with the formation of Harris Overseas Ltd, key dates in the Group's development are: -

1964 - The commencement of operations in consumer electronics and other product areas resourced from Japan and Hong Kong.

1970 - Company headquarters and distribution centre established at Barking.

1972 - Opening of Hong Kong office.

1980 - Harvard Maritime founded.

1982 - Harris Overseas Ltd renamed Harvard International Limited.
Alba Radio acquired.

1987 - Harvard International renamed Alba plc.
Alba plc floated on London Stock Exchange.

1988 - Bush Radio acquired.
Alba France acquired.

1989 - Hinari Domestic Appliances acquired.

1990 - Bush offices and National Distribution Centre established in Radlett, Herts.

1994 - Goodmans Industries acquired.

1995 - Rights to Dirt Devil brand acquired.
Mainland China offices opened in Shenzhen.

1996 - Power Devil launched.
China operations expanded with opening of office in Shanghai.
Northern Distribution Centre opened in Newcastle.

1997 - Roadstar Group acquired.

1998 - Opening of Rugby Distribution Centre.

1999 - Opening of Product Origination, Research & Development Centre.

Rights to JCB brand acquired for Power Products DIY tools business.

Purchase of Cable & Wireless (under licence), Betacom and Answercall Telecoms business for non-mobile communications.

2000 - Launch of Bush Internet TV. (Sold 2003)

2001 - NTL Licence signed.

Purchase of Pulse Home Products Ltd incorporating Breville, Nicky Clarke Electrical Appliances, Dreamland Electric Blankets and Viva.

2002 - Shanghai offices moved to larger operations based in Suzhou.

Ministry of Sound Licence acquired.
Dreamland Electric Blankets sold.

2003 - Carl Lewis Fitness Licence acquired.

Elstree offices opened for Bush, Ministry of Sound Audio, Hinari and Group Logistics.
Opening of Cortonwood Distribution Centre.

2004 - Acquisition of Grundig AG – joint venture with Beko Elektronik AS.

UK Divisions

ALBA

Alba Radio Ltd Acting as the bedrock of the Group, Alba Radio is a UK market leader for lead-in, high volume DVD, VCR, TV, Audio Systems and Portable Audio in all its forms including MP3.

DVD has continued to be a success story for Alba, which was the 2004 UK market leader, by volume. Alba has also continued to trade strongly in TV and TV/DVD Combination products. Reacting to the demand for new technologies, Alba has brought well-designed products at affordable price points to the market. Examples which have performed well, are MP3, DAB (Digital Audio Broadcasting), DVB and LCD. Alba has also extended its product range to encompass new trends and has seen its LCD products feature as European volume market leaders.

With close attention to market dynamics, and with the usual focus on affordability and high volume opportunities, Alba remains well established to continue its position in mainstream consumer electronics.

BUSH

Bush Radio plc The Group's largest division, Bush increased turnover and maintained its top share of the TV market. Bush also had a good year for its DAB audio, although the market for traditional audio models declined. Whilst Bush is a multi-faceted entertainment brand, television is at the core of its business. Reacting to consumer preferences, to maintain its position in the vanguard of this product sector, Bush introduced models with new technological features as these have become affordable and volume demand is assured. Examples include small and medium size LCD TVs, Plasma TV, RealFlat CRT screens, Rear Projection TV and Combination DVD/TVs. In addition, Bush introduced new IDTVs (Integrated Digital TVs), including LCD IDTV, to take full advantage of the FreeView digital programming and the growing consumer interest in this sector.

Looking to stay ahead of the competition, Bush is developing new IDTVs and Digital Boxes incorporating EPG (Electronic Programming Guides) and intelligent links with recording devices, and DVD Recorders with Digital Tuners and PVRs. Complementing these developments, the Bush audio range has been both reviewed and segmented to address the dynamics of the market, and to generate further growth. New DAB models incorporating UK original design work, are meeting the growing demand in this established sector.

Goodmans

Goodmans Industries Ltd Over the year, Goodmans has made considerable progress in the new technology growth areas, including LCD and Plasma TV, DVD Recorders, DAB audio products and Digital Cameras. This is in addition to mounting a strong performance in its more traditional product sectors. Goodmans maintains a particularly close and semi-autonomous control of its supply chain especially in the product planning and technical areas. Its products are highly regarded, with the Goodmans first DAB Micro System winning a

prestigious 5 Star "What Hi Fi Sound & Vision" Award.

Goodmans Computers This division entered this dynamic market sector, and presented its product line-up to retailers just prior to the Group's previous financial year end. Since this time, it has achieved good distribution for its range. Utilising the popular Goodmans brand for its initial product launch, the philosophy of this PC division adheres to the Group tenet of offering well-specified, affordable products with added value and strong support.

Roadstar

Roadstar UK Ltd Roadstar UK occupies a particular and popular market niche. As part of its strategy of identifying and exploiting consumer demand for compact entertainment, that can also be flexible and 'on-the-go', Roadstar UK applies three essential criteria to its product selection process – space saving, portability and multi functionality. This approach has resulted in good trading over a year that has seen the tripling of its sales of handheld, pocket LCD TVs, as consumers trade up to new widescreen models, and strong sales of small screen CRT Combi models. A new range of MP3, with individualistic styling, was successfully launched, whilst sales of the established ranges were maintained.

HINARI

Hinari Domestic Appliances Hinari is firmly established as a value for money brand. Within its traditional product sectors, Hinari has introduced new models and styles to harmonise with the latest kitchen designs and colours. Hinari has also proved that innovation can successfully be brought to the more mundane product, an example being their 'keep warm cafetiere'. Hinari also markets selected products under other Group brands, and has a strong business supplying retailers' 'own brand' ranges. Building on this established market position, and taking advantage of both consumer preferences and demands, Hinari has introduced a number of new product ranges including water filtration, air conditioning plus tabletop and full sized major appliances. More recently, and recognising the growth in interest in wine within the UK, Hinari launched a wide range of wine coolers and cabinets.



Breville Breville's development has continued with the sales growth for the division as a whole exceeding 10%. Gross margins were also improved despite the more challenging market conditions. Product innovation combined with a focus on design excellence throughout the product offer, especially in relation to small kitchen appliances and electric hair care, has allowed Breville to take the lead and maintain the fresh, modern appeal of the brand.



'Antony Worrall Thompson' by Breville A leading brand in the small kitchen appliances market, the Antony Worrall Thompson by Breville range, under licence, has continued its success in the food preparation market.



Bush Domestic Appliances Bush Domestic Appliances had an excellent year achieving sales growth of over 20% through the introduction of improvements in product design, an expanded product range and additional listings with major high street retailers.



NICKY CLARKE
E L E C T R I C

Nicky Clarke Electric Nicky Clarke Electric continued to grow market share, and remains the largest celebrity brand of its sector in the market place. Sales benefited strongly from having the right products at the right time, and from a successful pre-Christmas television advertising campaign for hair straighteners.



Power Devil A difficult climate gave rise to pressure on pricing, and further moves by retailers towards direct sourcing. Combating these factors, the product mix was moved into more value-added segments. Whilst the turnover line was not held, this strategy did return a higher gross margin. Distribution has also been re-shaped and a new balance established across a wider cross-section of channels that now encompass mail order, high street catalogue stores, DIY stores, e-commerce, large format wholesale, as well as a distilled national network of independent retailers.

Power Devil, an organically grown business, recovered ground due entirely to the restructuring of the product offer, and achievement of much wider distribution. The tougher trading climate actually benefited sales by inducing consumers to seek better value deals; two good examples being a pressure washer and a petrol lawnmower each of which recorded sales of over 50,000 units.



JCB branded goods were less seriously affected and a robust performance returned a result only marginally behind the previous year-end. An assertive, successful attack on a much wider retailer base proved the attraction of the brand provided that a value for money offer was maintained.

New product introduction continued apace following the requirements of innovation, superior performance and specification for price. Good progress was also made in growing the range of uniquely styled JCB products one of which won Best Buy 2005 in a recent independent test.

With a wider customer base to which to sell an ever-increasing range of exciting products, the prognosis for JCB is very positive for the coming year.



Dirt Devil The overall performance of Dirt Devil reflects the tough retail trading conditions particularly towards the second half of the year. However, Dirt Devil has been able to expand its distribution base, and maintain profitability through the introduction of higher specified and priced products. Targeting consumers' increased awareness and desire for healthy living, at year end Dirt Devil signed an exclusive agreement with Microban of the USA for the incorporation of their antibacterial treatments in many of its products. Going forward, this development and the launch of the Fabric Master range combined with the increased listing achieved with all major customers, positions Dirt Devil well for the future.



Harvard Communications, with its licensed brands NTL and Cable & Wireless, has seen a steep downturn in its traditional landline market that has reflected consumers' preference for mobile communications even in the home. Where demand has existed, DECT technology has been preferred. Responding to these market dynamics, the company has rationalised its existing landline product ranges, and introduced new DECT models with 'mobile-influenced' styling. At the same time, and in conjunction with key retail partners, it has embarked upon a diversification programme to exploit the rapid penetration of Broadband in UK households, and the demand for wireless networking, and Bluetooth enabled computer products. This development has seen the building of relationships with new, technology-focused retailers. Under new management, Harvard Communications has also introduced plans for the rapid assessment of new products, and their early introduction to the market.

Harvard Giftware Harvard Giftware supplies customised Giftware product ranges to leading high street retailers, supermarkets and other major outlets. By anticipating popular trends, the company provides exclusive product programmes that encompass a broad sweep of consumer interests, hobbies and pastimes.



Ministry of Sound Audio Under the licensing agreement with Ministry of Sound, the world's leading dance music brand, Ministry of Sound Audio has increased turnover through the development and successful marketing of a distinctive range of lifestyle audio products primarily aimed at the growing youth market. Appealing to a wider audience, as mainstream takes over from early adopters, the distinctive Ministry of Sound Audio range takes full advantage of recent advances in digital technology, and includes the very latest DAB, Bluetooth, MP3, Mpeg4 for audio, and video storage. The Ministry of Sound Audio product range is widely available through the UK's major retailers, and distribution has commenced in mainland Europe. This range complements the Group's existing audio products whilst significantly broadening the Group's offering.



Carl Lewis Fitness Carl Lewis Fitness, under licence, offers a range of personal fitness products, including motorised treadmills, exercise cycles and elliptical machines. In only its second year of trading, the company has secured a healthy market share, and has taken a lead in specific product areas. In addition to its UK customers, the company has also commenced supply to Continental Europe retailers. To complement its standard product offering, Carl Lewis Fitness has developed an enhanced and prestigious 'Studio' product range that will be launched in July at 05 ISPO, Munich.

International Operations

Harvard International (Hong Kong) Ltd From its main offices in Hong Kong, this company controls the Group's resourcing, engineering, quality control, design and sales activities in the Far East. To provide essential engineering and quality control coverage, engineering bases, product testing facilities and staff are placed close to the areas of manufacturing in Shenzhen and Suzhou. During the year, both Hong Kong and mainland China operations were enlarged to ensure the Group remains in the vanguard of this business.

HARVARD

Harvard Maritime Ltd Harvard Maritime Ltd Hong Kong provides Group brands, now including Grundig, and its own portfolio of customers, with a complete in-house and direct import service from product planning through to shipping and on-time delivery worldwide. Over many years it has built sales for a wide spread of the company's products, both under the Group and OEM brands, to many regions of the world. In addition to the UK and Continental Europe, it has added clients in Australia and New Zealand to those in Turkey, Egypt, South America, Mexico and Japan. Using its commercial strengths, Harvard Maritime Ltd has also successfully developed new product areas including domestic air conditioning, an extensive toiletries business and medical electrical.



Roadstar Management SA Europe Based in Ticino, Switzerland, Roadstar possesses a well-known brand, market knowledge, and an established infrastructure that has transformed the Group's position in Europe. Roadstar controls the Group's mainland Europe divisions and operations.

Roadstar has successfully confirmed its position in the consumer electronics market in Italy, and throughout Continental Europe, including the former Eastern Bloc, despite a general stagnation. Developments in consumer electronics in these markets usually follow that in the UK. This is allowing Roadstar to take advantage of the Group's established knowledge and experience particularly in the digital field.

Financial Review

The Group's capital structure may be split between Debt Finance (£93.6m) and Shareholders' Funds (£104.5m). The cash flow from operating activities has been mainly offset by the funding of the purchase of and sales to Grundig and an increased year end stock holding, resulting in Group borrowings increasing by £55.1m.

An analysis of taxation is set out in Note 7 of the accounts. The taxation charge as a percentage of profit before taxation was 25.0% in the current year and 22.8% in the previous year. This compares with the statutory rate of 30%. The effective tax rate is below the UK statutory rate as a result of profits made in lower tax regions outside of the United Kingdom.

The Group's financial instruments, other than derivatives, comprise borrowings, some cash and liquid resources and various items, such as trade debtors, trade creditors etc, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group also enters into derivatives transactions (principally forward foreign currency contracts and options). The purpose of such transactions is to manage the currency risks arising from the Group's operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The financial management of banking facilities employed by the Group has been organised within a system which has operated successfully and efficiently for many years. The Group enjoys facilities with a significant number of banks, relations with most of whom date back for a considerable period of time. The major borrowing requirement is for Trade Finance where, although the Group's requirements are large, they are amply covered by the facilities available.

The business of importing from the Far East in particular and elsewhere to a large extent is best carried out by means of irrevocable Letters of Credit (Documentary Credits). This is the payment instrument that manufacturers in the Far East are most comfortable with and know best and which encourages them to provide best buying terms. The Group's rights in these

goods are ultimately protected by all Letters of Credit having to include with the documentation inspection certificates provided by the Group's own international offices confirming that in quality and all other details shipments have conformed to our requirements.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged since 1 April 2004.

Interest Rate Risk

The Group finances its operations through a mixture of retained profits and bank borrowings. The Group borrows in the desired currencies at floating rates of interest. It is the view of the Group that banks are service providers in the same way as shipping companies, insurance companies etc. Having many banks, the Group can utilise this competitive situation to ensure that all banks lend on best borrowing terms. This is further enhanced by the fact that banks have traditionally provided facilities at lower rates of interest on Trade Finance than for other types of borrowing because of the short-term nature of the liability. Added to this the Group has enjoyed an unblemished reputation with its banks for many years, having always been extremely prompt in meeting its obligations and handling all matters appertaining to its business with banks efficiently.

Liquidity Risk

As regards liquidity, the Group's policy has sought, since the current structure was first established in the 1970's, to ensure continuity of funding through the maintenance of excellent relationships with its banks. Through the use of extensive Letter of Credit facilities financed via bank import advances, the Group is able to ensure the availability of required funding, whilst offering the banks the comfort and security that allows facilities to be readily increased as and when required.

Foreign Currency Risk

Most of the Group's purchases are in currencies different from the selling currency. It is the Group's policy to eliminate 70 - 80% of this exposure when purchase programmes are planned through a combination of forward currency contracts and options. All remaining exposure is eliminated at the time of

business & financial review

shipment. Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged is itself recognised. Unrecognised gains and losses on instruments used for hedging at 31 March 2005 amount to a £2.0 million gain (2004 : £5.1 million loss).

The Group's policy does not give rise to instruments used for hedging having more than one year to their maturity. As a result any unrecognised gain or loss on instruments used for hedging at the balance sheet date will be recognised in the profit and loss account of the next accounting period.

The Group has overseas subsidiary and joint venture companies, operating throughout Europe, Hong Kong and Australia. The Group's sterling balance sheet is partly protected from movements in exchange rates by financing a proportion of its net investment in foreign currencies.

Interest rate risk profile of financial assets and financial liabilities

The Group has no financial assets, other than short-term debtors and cash at bank. The Group's net financial liabilities at 31 March 2005, excluding short term debtors and creditors were:-

Currency	31 March 2005 £'millions	31 March 2004 £'millions
Sterling	27.4	11.9
US Dollar	27.4	20.7
HK Dollar	12.0	8.5
Euro	27.5	(1.7)
CHF	(0.7)	(0.9)
	93.6	38.5

All the above were at a floating rate of interest. The floating rate financial liabilities comprise:

- Sterling denominated bank borrowings and overdrafts that bear interest at rates based on either the Base Rate or LIBOR, and
- Foreign denominated bank borrowings that bear interest at rates based on the US Prime rate, FIBOR and similar.

Currency exposures

As explained above, the Group's objectives in managing the currency exposures arising from its net investment overseas are to retain some potential for currency related appreciation while partially hedging against currency depreciation. Gains and losses arising from these structural currency exposures are recognised

in the statement of total recognised gains and losses.

The table below shows the Group's currency exposures; in other words, those transactional (or non-structural) exposures that give rise to the net currency gains and losses recognised in the profit and loss account. Such exposure comprises the monetary assets and monetary liabilities of the Group that are not denominated in the operating (or 'functional') currency of the operating unit involved. As at 31 March 2005 the exposures were as follows:-

Functional currency of Group operation	Net foreign currency monetary assets/(liabilities) in £' millions									
	£		US\$		Euro		CHF		TOTAL	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
HK\$	0.7	-	3.3	(7.2)	-	-	-	-	4.0	(7.2)
US\$	-	-	-	-	2.6	3.6	0.1	0.7	2.7	4.3
£	-	-	(25.9)	0.5	0.4	0.5	-	-	(25.5)	1.0
	0.7	-	(22.6)	(6.7)	3.0	4.1	0.1	0.7	(18.8)	(1.9)

Maturity of financial liabilities

The maturity profile of the Group's financial liabilities at 31 March 2005 was as follows:-

	31 March 2005 £' millions	31 March 2004 £' millions
In one year or less, or on demand	69.2	38.5
In more than one year but less than two years	9.9	-
In more than two years but less than three years	9.9	-
In more than three years but less than four years	3.0	-
In more than four years but less than five years	1.6	-
	93.6	38.5

Borrowing facilities

As at 31 March 2005 the Group had undrawn borrowings and trade finance related facilities of approximately £317 million, all of which is renewable within one year.

Fair values of financial assets and financial liabilities

There is no material difference between the book values and fair values of the Group's financial assets and liabilities as at 31 March 2004 and 2005 except for instruments used for hedging foreign currency, where the book value of the Group's financial asset or liability is £nil and the fair value at 31 March 2005 is £2.0 million asset (2004 : £5.1 million liability).

The fair value of foreign currency contracts is based on a comparison of the contractual and year end exchange rates.

The Directors have pleasure in submitting their Annual Report for the year ended 31 March 2005.

Principal Group Activities and Review of Operations

The Chairman's Statement on pages 3 to 5 and the Business and Financial Review on pages 6 to 14 describe the principal activities and operations of the Group. The principal subsidiaries are listed in note 13 on page 40.

Results and Dividends

The results of the Group are set out in the Consolidated Profit and Loss Account on page 30. The transfers to reserves are shown in note 21 on page 44.

The Directors recommend a final dividend of 8.75p per Ordinary Share which, with an interim dividend of 2.25p per Ordinary Share paid on 25 April 2005, gives a total dividend of 11.0p per Ordinary Share for the year. If approved, the final dividend will be paid on 24 October 2005 to shareholders on the register of members at the close of business on 30 September 2005.

Directors

The Directors of the Company at the date of this Report are shown on page 2 and their biographical details are set out below.

In accordance with the Articles of Association of the Company, Ms B Blow, having been appointed since the last Annual General Meeting, will retire at this year's Annual General Meeting and, being eligible, will offer herself for re-election. Mr J E Harris, Mr P J Cannon and Mr D B Harris retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.

Mr D J Brecher and Sir William F Cotton both of whom have served on the Board for over nine years, at the request of the Board have agreed to offer themselves for re-election.

Directors' Biographies

J E Harris CBE, Chairman and Founder

John Harris, 73, founded the business in 1963. The Company was originally called Harris Overseas Ltd and under his control it acquired the Alba company in 1982. He served as CEO from 1963 until 1992 during which time the company joined the

London Stock Exchange. He founded the Helene Harris Memorial Trust to promote research into ovarian cancer and was awarded an MBE in 1996 in recognition of his contribution to worldwide cancer research and a CBE in 2005 for services to business and cancer research. He is Chairman of the Nomination Committee.

D B Harris B.Sc (Econ), Chief Executive Officer

Daniel Harris, 45, read Economics at the London School of Economics and joined the Group as Marketing Manager in 1981. He became Marketing Director of Harvard International Ltd in 1983 and joined the Board when Alba plc floated in 1987. He was appointed Group Chief Executive Officer in 1992. Together with Andrew Rose he headed the joint venture acquisition of Grundig.

A D Rose B.Sc, ACA, Group Finance Director

Andrew Rose, 45, joined the Group in August 1987 from accountants Stoy Hayward and was appointed to the Board in December of that year. Since this time, Andrew has been the financial architect of the Group's business growth and numerous corporate developments. An expert in mergers and acquisitions he has played a vital part in the development of the Group.

P J Cannon, Director

Paul Cannon, 55, based in Hong Kong, has a background in overseas sourcing for major retailers both in the UK and USA. He joined the Board in 1991 and, as Managing Director of Harvard Maritime Ltd, a Group subsidiary, is responsible for overseeing product engineering, sourcing and quality control operations in Asia.

A Coda, Director

Antonio Coda, 68, founder and President of the Roadstar Group, joined Alba plc in 1997 and was appointed to the Board in December 2000. He has extensive experience in the Consumer Electronic business and a strong background in sales and marketing throughout continental Europe. He joined the Board in 2000, and is responsible for the Group's mainland European activities.

D J Brecher MA (Cantab), Non-Executive Director

David Brecher, 78, a solicitor, graduated with an MA from Trinity College, Cambridge. He set up a law firm, Brecher & Co, which became renowned for high-profile commercial property work.

He joined the Board of Alba plc in 1987 bringing extensive experience to the Group both in legal and corporate matters. Until 1 July 2005, he was the Senior Non-Executive Director to whom any concerns of the other Directors were conveyed and he chaired the Audit and Remuneration Committees.

Sir Bill Cotton CBE, Non-Executive Director

Sir 'Bill' Cotton, 77, joined the Board in 1988. He started with the BBC in 1956, becoming Managing Director of BBC Television in 1984. He was awarded an OBE in 1976, a CBE in 1989 and received a knighthood in 2001 for services to TV broadcasting and to Marie Curie Cancer Care. After retiring from the BBC, he became Chairman of Meridian Television (the southern area ITV channel). He maintains his contacts in the Broadcasting Industry, which helps him provide Alba plc with a wealth of knowledge of television and radio developments. He was a member of the Audit and Remuneration Committees until 1 July 2005 and is a member of the Nomination Committee.

P E Selway-Swift, Non-Executive Director

Paul E Selway-Swift, 61, spent his entire working life in international banking. He spent 20 years in Hong Kong with the Hong Kong and Shanghai Banking Corporation and was Head of HSBC in Hong Kong for several years until 1996. After returning to the UK, he was Deputy Chairman of HSBC Investment Bank in London from 1996 until 1998. He is currently Chairman of Singer & Friedlander Group Plc, of SVB Holdings PLC and of The Atlantis China Fund. He is a Non-Executive Director of Li and Fung Ltd, a Hong Kong based global trading group. He joined the Board of Alba plc in 1998 and brings to the Group banking and commercial expertise coupled with a wide knowledge of conducting business in Hong Kong and China. On 1 July 2005 he was appointed as Senior Non-Executive Director and Chairman of the Audit and Remuneration Committees. He is also a member of the Nomination Committee.

Sir Digby Jones, Non-Executive Director

Digby Jones, 49, became Director-General of the CBI on 1 January 2000. In September 2003, his five year term was extended to seven years, ending on 31 December 2006. Digby was previously Senior Partner at the law firm Edge & Ellison, and subsequently Vice Chairman of Corporate Finance at KPMG. He is currently the Senior Independent Director of iSOFT plc, a position held since 2000. He received his knighthood in 2005 for services to business. He joined the Board of Alba plc in December 2003 and brings extensive

commercial experience to the Group. He is a member of the Audit and Remuneration Committees.

Ms B Blow, Non-Executive Director

Bridget Blow, 56, joined the Board on 1 July 2005. She was Chief Executive of ITNET, a leading supplier of IT and Business Process Outsourcing Services. In February 2005, ITNET was acquired by Serco Group plc and she was appointed to the executive team as Group Technology Director. She has received numerous business awards and was a member of the Court of Directors of the Bank of England for 5 years until May 2005.

Directors' Interests

The interests of the Directors in the ordinary share capital of the Company and in the Company's share option schemes and the Long-Term Incentive Plan are shown in the Remuneration Report on pages 19 to 23.

Substantial Holdings

The Company has been notified of the following holdings which represent 3% or more of the nominal value of the issued ordinary share capital of the Company as at 30 June 2005:

	Number of shares held	Percentage
Legal & General Investment Management Ltd.	7,418,040	14.52
* Mrs A J Kaye (the daughter of Mr J E Harris)	6,100,367	11.94
+ Pailex Securities International Inc	4,825,883	9.44
Fidelity Investments Ltd.	4,588,302	8.98
Bluecrest Equity Master Fund	2,545,000	4.98
Aviva plc	2,110,910	4.13

*Mr D B Harris is beneficially interested in 540,000 of these shares and Mr J E Harris is non-beneficially interested in 900,000 of these shares.

+Included in the beneficial interests of Mr J E Harris and Mr D B Harris are 4,825,883 Ordinary Shares registered in the name of Pailex Securities International Inc as nominee for Paicalex Trust Company (BVI) Limited and Paicalex Trust Management AG.

Purchase of Own Shares

The Company currently has shareholders' authority to purchase its own shares within limits as to the number of shares and price. This authority will expire at the conclusion of the 2005 Annual General Meeting when a new authority will be

sought. Subsequent to the year end, the Company purchased 200,000 Ordinary Shares in the market at 370p per share, which at the date of this Report, are held as treasury shares.

Employees

A statement setting out the Group's employment policy can be found in the Corporate Governance Report on pages 27 and 28.

Payments to Suppliers

It is the Group's policy, in relation to its suppliers, to settle the terms of payment when agreeing the terms of the transaction and to abide by those terms provided that the goods and services have been supplied in accordance with the agreed terms and conditions. Unless otherwise agreed, suppliers are paid on a net monthly basis. The Group does not follow any other code or statement on payment practice. As at 31 March 2005, the average number of creditor days was 22 (2004 : 23).

Annual General Meeting

The Annual General Meeting of the Company will be held at Harvard House, 14-16 Thames Road, Barking, Essex IG11 0HX on 22 September 2005 at noon. The Notice of Meeting appears on pages 49 to 51.

Resolutions 1 to 11

These Resolutions deal with the receipt of the Accounts of the Company for the year ended 31 March 2005 and the Directors' Report and the Auditors' Report thereon, the approval of the Remuneration Report, the declaration of a final dividend, the re-election of Directors and the re-appointment of UHY Hacker Young as the Auditors of the Company and the authorisation of the Directors to fix their remuneration.

Resolution 12

Authority to allot shares. This Ordinary Resolution gives your Directors authority to allot unissued shares in the capital of the Company up to a maximum nominal amount of £890,284.60, being approximately 17.49% of the Company's issued ordinary share capital (excluding treasury shares), and the whole of the unissued ordinary share capital, on 8 July 2005. As at 8 July 2005, the Company held 200,000 treasury shares representing approximately 0.39% of the issued ordinary share capital (excluding treasury shares) of the Company at that date. Your Directors have no present intention of exercising this authority.

Resolution 13

The power to allot shares for cash as if Section 89(1) of the Companies Act 1985 did not apply to such allotment. The passing of this Special Resolution will empower your Directors to issue Ordinary Shares for cash without first offering them pro rata to existing shareholders up to a maximum amount of £255,485.70 being equal to 5% of the issued ordinary share capital of the Company as at 8 July 2005. Your Directors consider that it is in the best interests of the Company and its shareholders generally that they should have the flexibility to make small issues of shares for cash as suitable opportunities arise without the necessity of first seeking shareholders' approval, although they have no present intention of exercising this authority.

Resolution 14

This Special Resolution renews an existing authority giving the Company power to purchase its own shares in the market within limits as to number of shares and price. The maximum number of shares which may be purchased under the proposed authority is 2,544,857 representing approximately 5% of the Company's issued ordinary share capital (excluding treasury shares) on 8 July 2005. Recent legislation enables certain companies, following the purchase of their own shares, to hold those shares in treasury, instead of cancelling them as previously required, pending either reselling them for cash, cancelling them or, if authorised, using them for the purposes of its employee share plans.

Holding the repurchased shares as treasury shares would give the Company the ability to resell them quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base. No dividends would be paid on, and no voting rights would be exercised in respect of, treasury shares. Shares held as treasury shares would not automatically be cancelled and would not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury). If used to satisfy the requirements of share-based incentive schemes, this would be within the overall 10% dilution limit for such share issues. The ceiling on which this limit would be calculated would be based on shares held by shareholders other than the Company and would exclude treasury shares. If the Board exercises the authority conferred by Resolution 14, the Company would have the option of holding repurchased shares in treasury.

The total number of options to subscribe for equity shares, which are outstanding as at 8 July 2005 is 1,340,036, representing approximately 2.63% of the issued ordinary share capital (excluding treasury shares) at that date. If the full authority being sought was utilised, so reducing the Company's issued ordinary share capital (excluding treasury shares) by an equivalent amount, the figure of 1,340,036 would represent approximately 2.77% of the issued ordinary share capital (excluding treasury shares) as at 8 July 2005. The Company has never issued any warrants to subscribe for equity shares. As stated above, subsequent to the year end the Company purchased 200,000 shares in the market which, at the date of this Report, are held as treasury shares.

If granted, the Board may exercise the authority to purchase the Company's Ordinary Shares, but will only exercise the power of purchase after careful consideration and in circumstances where, in the light of market conditions prevailing at that time, it is satisfied that it is in the best interests, of the Company and of its shareholders generally to do so and where an increase in earnings per share would result.

The authorisations given by Resolutions 12, 13 and 14 will expire by no later than the conclusion of the Annual General Meeting to be held in 2006. It is intended that renewal of these authorisations will be sought at the next Annual General Meeting of the Company.

Donations

No member of the Group incurred any EU political expenditure or made any political donations/contributions during the year under review. Charitable donations of £75,158 were made by members of the Group during the year under review.

Liability Insurance for Company Officers

As permitted by the Companies Act 1985 (as amended), the Company has maintained insurance cover for its Directors and other Officers (other than the Company's Auditors) against liabilities in relation to the Group.

Auditors

As mentioned above, a resolution to re-appoint the Auditors, UHY Hacker Young, will be proposed at the Annual General Meeting.

Registered Office

Harvard House 14-16 Thames Road Barking Essex IG11 0HX.

By Order of the Board

J E Malin Secretary

8 July 2005

This Report sets out the Group's policy and disclosures in relation to Directors' remuneration. At the Annual General Meeting of the Company to be held on 22 September 2005, this Report will be submitted to shareholders for their approval. This Report has been produced in accordance with the Directors' Remuneration Report Regulations 2002.

Composition and terms of reference of Remuneration Committee

The Remuneration Committee ("the Committee") is responsible for determining the remuneration and the terms and conditions of service of the Executive Directors. The Committee was chaired by Mr D J Brecher and its other members were Sir William F Cotton, Mr P E Selway-Swift and Sir Digby Jones, all of whom are Non-Executive Directors. On 1 July 2005, following the appointment of Ms B Blow as Non-Executive Director, Mr D J Brecher and Sir William F Cotton retired from and Ms B Blow was appointed to the Committee. Mr P E Selway-Swift took over the chair. The Chairman also attends the meetings of the Committee, except when his own remuneration is being considered. The Board has accepted all the recommendations of the Committee without amendment.

Details of the Directors retiring by rotation at the Annual General Meeting to be held on 22 September 2005 are given in the Directors' Report.

Non-Executive Directors

The remuneration of the Non-Executive Directors is reviewed by the Chairman who makes recommendations to the Board. The Board determines the remuneration of the Non-Executive Directors within the limits set out in the Articles of Association. The responsibilities of the role and the level of fees paid in UK organisations of a similar size and complexity to the Group are considered in setting remuneration policy for Non-Executive Directors.

Remuneration policy for Executive Directors

In determining the remuneration policy for Executive Directors, the Committee has considered a number of factors including:

- the importance of attracting, retaining and motivating management of the appropriate calibre to further the success of the business;
- the linking of reward to both individual and business performance; and

- ensuring that the interests of the Directors are aligned with those of the shareholders.

To this end, the Committee seeks to approve a package for Executive Directors consisting of basic salary, benefits, share options and incentives, occasional bonuses and pensions.

The Committee has not sought advice from independent consultants in determining the remuneration policy for the Executive Directors. Having actively considered the appointment of advisers, the Committee currently believes that the established practice of reviewing published information to determine appropriate levels of remuneration is more effective.

The Committee believes that the policy adopted in the Group's remuneration of Executive Directors and senior managers has contributed to the long term growth of the Company. This policy has enabled the Company both to attract and keep a high calibre management team - essential for a well run and growing business. This policy will continue to be reviewed in the light of changes in market practice and legislation which impact upon the Company.

The current elements of the remuneration packages can be summarised as follows:

Base salary and benefits

Base salaries for Executive Directors are reviewed by the Committee, normally annually, having regard to competitive market practice and individual performance for the financial year.

The general benefits provided to the Executive Directors are a fully-expensed car (or cash alternative), pension, life and health insurance.

Annual performance-related bonus

As all Executive Directors participate in the Alba plc Long-Term Incentive Plan, they are currently not entitled to receive bonuses.

Share option schemes

Tax approved and unapproved Executive Share Option Schemes (ESOS) are available to Executive Directors and Senior Managers. However, as all Executive Directors participate in the Alba plc Long-Term Incentive Plan, they are currently not entitled to further grants of options under these schemes.

remuneration report

Options granted to Executive Directors prior to 1996 under the terms of the Alba plc Executive Share Option Scheme are not normally exercisable until the third anniversary of the date of grant, but are not subject to any performance criteria which was normal for options issued up to that time. Options granted to Executive Directors from 1996 under the terms of the Alba plc Executive Share Option Scheme and the Alba plc 1996 Executive Share Option Scheme are not normally exercisable until the third anniversary of the date of grant and are subject to performance conditions set out in the rules of the relevant schemes. These conditions were based on standard practice prevailing at the time the schemes were established, and have been achieved for the relevant subsisting options as detailed below.

Executive Directors are also entitled to participate in the UK Inland Revenue approved Savings-Related (SAYE) Share Option Scheme which is available to all UK employees. The scheme is subject to a cumulative maximum investment of £250 per month for each individual. The share option runs for either three, five or seven years. At the end of the chosen period, the shares may be purchased by the employee at a 20% discount to the share price at the invitation date.

The beneficial interests of the Executive Directors in share options granted under the particular schemes are shown below:

(1) Alba plc Executive Share Option Scheme:

Exercise Price	1 April 2004	Granted during the year ended 31 March 2005	Exercised during the year ended 31 March 2005	Market Price at the date of exercise	31 March 2005
A D Rose					
(a) 214.5p	20,000	–	–	–	20,000
(b) 276.5p	30,000	–	–	–	30,000
	50,000	–	–		50,000

The options are exercisable between the following dates:

- (a) 14 July 1998 and 13 July 2005
- (b) 9 January 1999 and 8 January 2006 (Mr A D Rose can exercise his option as the growth in the Company's earnings per share over the continuous three year period which commenced on 1 April 1995 exceeded the growth in the Retail Prices Index plus 2% per annum over the same period.)

(2) Alba plc 1996 Savings-Related Share Option Scheme:

Exercise Price	1 April 2004	Granted during the year ended 31 March 2005	Exercised during the year ended 31 March 2005	31 March 2005
A D Rose				
(a) 166p	1,315	–	1,315	–
(b) 264p	2,784	–	–	2,784
(c) 248p	3,320	–	–	3,320
(d) 350p	568	–	–	568
(e) 636p	–	1,106	–	1,106
	7,987	1,106	1,315	7,778

The options are exercisable between the following dates:

- (a) 1 February 2005 and 31 July 2005
- (b) and (c) 1 September 2006 and 28 February 2007
- (d) 1 February 2010 and 31 July 2010
- (e) 1 September 2011 and 28 February 2012

In addition, the Alba ESOP Trust, which during the year released 68,069 Ordinary Shares in the Company to grantees and purchased 65,577 shares at a price of 795p per share, at 31 March 2005 held 239,026 Ordinary Shares in the Company for beneficiaries including, inter alia, Directors and employees of the Company and its subsidiaries. The Executive Directors, being members of a class of potential beneficiaries of the ESOP, are, to that extent, interested in all the Company's shares acquired by the ESOP and not allocated.

Subsequent to the year end, the Alba ESOP Trust purchased 200,000 Ordinary Shares in the Company at 390p per share.

During the year ended 31 March 2005:

- (i) Mr A D Rose exercised his options over 1,315 Ordinary Shares at an option price of 166p per share.
- (ii) Mr P J Cannon disposed of 20,000 Ordinary Shares at 781p per share.

The aggregate gain made by Directors on the exercise of options during the year ended 31 March 2005 was £5,891. Mr D B Harris, the highest paid Director, did not exercise any options over shares in the Company.

The market price of the Company's shares on 31 March 2005 was 536p per Ordinary Share and the high and low share prices during the year to 31 March 2005 were 850p and 508.5p, respectively.

Long-Term Incentive Plan

The following awards of shares have been granted under the terms and subject to the conditions of the rules of the Alba plc Long-Term Incentive Plan:

	Market price on date of award	1 April 2004	Granted during the year ended 31 March 2005	Released during the year ended 31 March 2005	31 March 2005
J E Harris	(a) 327.5p	11,326	–	11,326	–
	(b) 372.5p	9,848	–	–	9,848
	(c) 502.5p	20,193	–	–	20,193
	(d) 795.0p	–	13,807	–	13,807
		41,367	13,807	11,326	43,848
D B Harris	(a) 327.5p	15,052	–	15,052	–
	(b) 372.5p	13,925	–	–	13,925
	(c) 502.5p	29,668	–	–	29,668
	(d) 795.0p	–	20,117	–	20,117
		58,645	20,117	15,052	63,710
A D Rose	(a) 327.5p	9,307	–	9,307	–
	(b) 372.5p	8,303	–	–	8,303
	(c) 502.5p	19,355	–	–	19,355
	(d) 795.0p	–	13,699	–	13,699
		36,965	13,699	9,307	41,357
P J Cannon	(a) 327.5p	5,072	–	5,072	–
	(b) 372.5p	4,785	–	–	4,785
	(c) 502.5p	6,444	–	–	6,444
	(d) 795.0p	–	3,985	–	3,985
		16,301	3,985	5,072	15,214
A Coda	(a) 327.5p	4,281	–	4,281	–
	(b) 372.5p	3,834	–	–	3,834
	(c) 502.5p	5,371	–	–	5,371
	(d) 795.0p	–	3,290	–	3,290
		13,486	3,290	4,281	12,495

(a) The market values of the awards granted on 1 July 2001 and released by the Trustees of the Alba plc ESOP Trust on 30 July 2004 were:

	£'000
J E Harris	80
D B Harris	106
A D Rose	65
P J Cannon	36
A Coda	30

Mr D B Harris and Mr A D Rose disposed of 15,052 and 3,824 shares respectively on the date of release at a price of 702p per Ordinary Share.

The shares conditionally awarded are held in trust for a period of three years from the award date (the "performance period") and their release no earlier than (b) 1 July 2005, (c) 1 July 2006 and (d) 1 July 2007 is conditional and will be allocated in equal

portions to the achievement of two performance targets during the performance period namely:

- (i) a target ("the TSR target") under which the increase in the Alba plc Total Shareholder Return ("TSR") (namely share price appreciation plus dividends) through the performance period must exceed the average TSR during the same period, of the applicable sub-section of the FTSE Actuaries Industry Sector by 9% or more (in which event, 50% of the shares conditionally awarded will be released); and/or
- (ii) a target ("the EPS target") under which the average percentage increase in Alba plc's normalised Earnings Per Share during its three financial years commencing on 1 April immediately preceding the award date must exceed the average percentage increase in the Retail Prices Index during the same period by 3% per annum or more (in which event 50% of the shares conditionally awarded will be released).

If in relation to either of the above targets Alba plc's growth achievement against the relevant comparative during the performance period is (in case of the TSR target) 6% or more but less than 9% or (in case of the EPS target) 2% per annum or more but less than 3% per annum, then the percentage of the shares released to the grantee will be proportionately reduced from a level of 50% of the award if the growth achieved is at the higher percentage to a level of 25% of the award if the growth achievement is at the lower percentage. If the growth achievement is less than the lower percentage, no shares will be released to the grantee. These targets were discussed with and approved by major institutional shareholders prior to implementation of the Long-Term Incentive Plan.

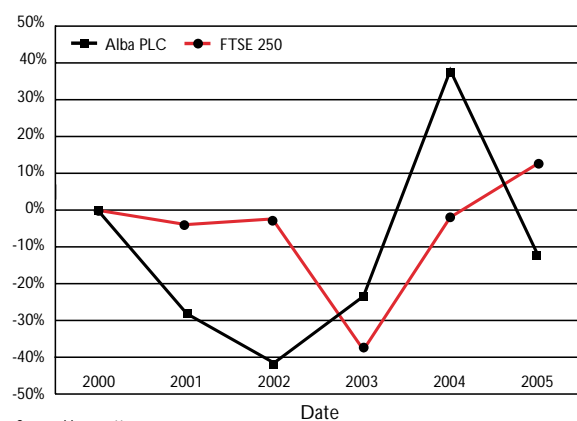
Following the passing of a resolution at the 2000 Annual General Meeting, the Trustees of the Alba plc ESOP Trust and the Board approved an amendment to the Rules of the Alba plc Long-Term Incentive Plan so that, unless and until the Remuneration Committee otherwise determines, the results of Bush Internet Limited would not be taken into account for the purposes of determining the Company's normalised Earnings Per Share.

The EPS target as set out in section (ii) above has not, subject to the auditors' confirmation, been achieved in respect of the shares granted on 1 July 2002 and, therefore, 50% of the shares conditionally awarded will lapse. The shares shall be retained by the Trust.

remuneration report

Total shareholder return

The following graph shows Alba plc's total shareholder return compared to that of the FTSE-250 indices over the past five years. Given that Alba plc was a constituent of this index during the year under review, it is deemed to be the most appropriate comparator:



Pensions

Mr D B Harris and Mr A D Rose were members of the Alba plc Group Retirement and Death Benefit Scheme. On 1 July 2005, this contracted-in money purchase (defined contribution) scheme with no underlying benefit guarantees was closed and comparable money purchase benefits are now provided through a Stakeholder Pension Plan. As a result of this change in pension provision, the non-contributory Executive Pension Scheme for the benefit of Mr D B Harris will become "paid up". Mr P J Cannon has a Personal Pension Scheme into which the Company contributes. The Company contributions into these schemes, which are based on a percentage of pensionable salary, are set out in the table under the Directors' detailed emoluments.

Service contracts

Each of the Executive Directors is employed on a rolling contract subject to one year's notice on either side except in the case of Mr A Coda whose employment agreement is subject to six months' notice on either side.

Details of the employing company and dates of contract are as follows:

Director	Date of Contract	Employing Company
Mr J E Harris	4 September 1987	Alba plc
Mr D B Harris	4 September 1987	Alba plc
Mr A D Rose	4 September 1987	Alba plc
Mr P J Cannon	4 September 1987	Harvard Maritime Limited
Mr A Coda	13 March 1997	Roadstar Management SA

The Committee believes that, in order to attract Executive Directors of the right calibre and to compete for talent with our competitors, it is necessary to offer service contracts with notice periods of one year. Under the terms of the Executive Directors' service contracts, on termination by the employing company, except in the case of dismissal for cause, the employing company shall make a payment to the Executive Director equal to:

- the Executive's basic salary for the period of notice, and
- the cost of provision of pension and benefits for the notice period.

Such payment will be reduced proportionately in the event that the Executive Director works part of his period of notice.

Non-Executive Directors do not have service contracts. With the exception of Mr D J Brecher and Sir William F Cotton, whose re-appointments are considered annually, their re-appointment is considered every three years by the Board and, if the Board recommends such re-appointment, by the Company. The year when each Director was appointed is shown in the Directors' biographies on pages 15 and 16. There are no compensation provisions for early termination of Non-Executive Director appointments.

Directors' detailed emoluments

The Directors' remuneration in total is analysed as follows:

	for the year ended 31 March 2005 £'000	for the year ended 31 March 2004 £'000
Emoluments for qualifying services	1,381	1,043
Contributions to money purchase pension schemes	174	132
Benefits	62	63
	1,617	1,238
Fees	150	84
Total	1,767	1,322

The remuneration of each Director for the year ended 31 March 2005 is made up as follows:

	Emoluments for qualifying services £'000	Pension contributions £'000	Benefits £'000	Total £'000	Prior year total £'000
J E Harris	313	–	–	313	226
D B Harris	456	90	–	546	395
A D Rose	309	60	–	369	266
P J Cannon	139	24	56	219	211
A Coda	164	–	6	170	140
D J Brecher	25	–	–	25	18
W F Cotton	25	–	–	25	18
P Selway-Swift	50	–	–	50	31
D M Jones	50	–	–	50	17*

* Since date of appointment on 2 December 2003

The Report of the Auditors on the Financial Statements covers the disclosures contained in this Report that are specified for audit by the Financial Services Authority. The following sections of this Report are audited:

Pensions
Directors' detailed emoluments
Share option schemes
Long-Term Incentive Plan

Approved by the Board and signed on its behalf:

J E Malin Secretary

8 July 2005

Interests in contracts

There were no contracts of significance subsisting during or at the end of the year in which a Director of the Company is or was materially interested.

Interests in shares

The Directors' beneficial and non-beneficial interests in the share capital of the Company are shown below:

	Beneficial 31 March 2005	Beneficial 31 March 2004	Non-Beneficial 31 March 2005	Non-Beneficial 31 March 2004
J E Harris	5,310,821	5,299,495	2,700,000	2,700,000
D B Harris	6,089,818	6,089,818	900,000	900,000
A D Rose	202,749	195,951	–	–
P J Cannon	138,406	153,334	–	–
A Coda	15,599	11,318	–	–
D J Brecher	18,750	18,750	–	–
W F Cotton	5,100	5,100	–	–
P E Selway-Swift	3,760	3,760	–	–
D M Jones	3,000	3,000	–	–

As at 8 July 2005 there had been no alterations to the Directors' interests since 31 March 2005.

Within the non-beneficial interest of Mr J E Harris are 1,800,000 Ordinary Shares also shown within the beneficial interest of Mr D B Harris and within the non-beneficial interest of Mr D B Harris are 900,000 Ordinary Shares also shown within the beneficial interest of Mr J E Harris.

The Board seeks to comply with established corporate governance best practice. Throughout the year to 31 March 2005, the company complied with the provisions of the revised Combined Code on corporate governance issued by the Financial Reporting Council in July 2003 ("the Code"), except for the provision relating to the terms of office for Non-Executive Directors.

The Board

The Board, which met four times during the year, is responsible for determining policy and business strategy, setting financial and other performance objectives and monitoring achievement. There is a formal schedule of matters specifically reserved for decision by the Board which includes:-

- Setting Group strategy and approving the annual and capital expenditure budgets.
- Reviewing performance in the light of the Group's strategy, objectives and budgets.
- Reviewing the Group's systems of financial control and risk management.
- Approving communications with shareholders.
- Approving appointments to the Board and the Company Secretary.
- Approving policies relating to Directors' remuneration.
- Approving the terms of reference for Board committees.

There is a clear division of roles between the Chairman and Chief Executive. The Chairman has responsibility for the conduct of Company and Board meetings and for ensuring that Directors are properly briefed to enable full, constructive Board discussions. The Chief Executive is required to develop and lead business strategies and processes for the furtherance of the Group.

The agenda for Board meetings are set by the Chairman in consultation with the Chief Executive, Finance Director and Company Secretary. Formal minutes of Board and Committee meetings are prepared and distributed as appropriate to each Director.

The Board currently consists of five Executive Directors and five Non-Executive Directors. Their names and biographical details are set out on pages 15 and 16. Each new appointee to the Board is required to stand for re-election at the next Annual General Meeting following their appointment. In addition, one third of the Board retires by rotation at each Annual General Meeting and each Director stands for re-election at least once every three years.

The Board believes that all the Non-Executive Directors are free from any business or other relationship which could materially interfere with the exercise of their independent judgement. They have no service contracts and, prior to the establishment of the Nomination Committee, their original selection was not made through a formal process. With the exception of Mr D J Brecher and Sir William F Cotton whose re-appointments are considered annually, their re-appointment is considered every three years by the Board and, if the Board recommends such re-appointment, by the Company.

Mr D J Brecher and Sir William F Cotton, both of whom have served on the Board as Non-Executive Directors for more than nine years from the date of their first election, had previously stated their willingness to stand down in 2005. However, the Nomination Committee having carefully considered the independence of these Directors and their individual skills and knowledge of the Company, recommended to the Board an extension of their term of office beyond 2005. The Board recognises that approval of this recommendation does not strictly conform to the Code guidelines, but it believes that major shareholders will not object to the extension which, with the recent appointment of Ms B Blow, ensures an overall balanced and highly experienced Board.

In July 2005, following the appointment of Ms B Blow as Non-Executive Director, Mr D J Brecher stood down as Senior Non-Executive Director and Mr P E Selway-Swift was appointed in his place. Also Mr D J Brecher and Sir William F Cotton retired from, and Ms B Blow was appointed to, the Audit and Remuneration Committees. Mr P E Selway-Swift was appointed Chairman of these Committees.

On appointment, Directors receive information about the Group, including the latest financial statements, the role of the Board and matters reserved for its decision, the terms of reference and membership of the Board committees and the Group's corporate governance practices and procedures. Additionally the Chairman facilitates visits to key locations and meetings with senior executives.

To enable the Board to function effectively and allow it to discharge its duties, all Directors are given full and timely access to all relevant information, have free access to the advice and services of the Company Secretary and may receive independent advice at the expense of the Company.

The Company Secretary has the responsibility for ensuring that Board procedures are followed and for advising on governance

matters. The appointment and removal of the Company Secretary is one of the matters reserved for the Board. The Company Secretary is also Secretary to the Audit, Remuneration and Nomination Committees.

During the year the Board, led by the Chairman, commenced an internal annual evaluation of the performance of the Board, its Committees and each Director. The Senior Non-Executive Director met with another Non-Executive Director, without the Chairman being present, to review the performance of the Chairman. A summary of the findings was presented to and reviewed by the Board in June 2005. The Board plans to conduct performance evaluations on an annual basis.

None of the Executive Directors has any third party directorships but Messrs J E Harris, D B Harris, A D Rose and A Coda are members of the advisory board of Grundig Multimedia BV, the Joint Venture holding company.

Board Committees

The Board has delegated authority to a number of committees to deal with matters in accordance with written terms of reference, which are displayed on the Company's website www.albapl.com. The Chairmen of the committees attend the Annual General Meeting to answer questions from shareholders.

Audit Committee

This comprised the Non-Executive Directors, Mr D J Brecher (Chairman), Sir William F Cotton, Mr P E Selway-Swift and Sir Digby Jones. On 1 July 2005, Mr D J Brecher and Sir William F Cotton retired from the committee and Mr P E Selway-Swift was appointed Chairman. Following her appointment and on the recommendation of the Nomination Committee, Ms B Blow was invited by the Board to join this committee.

This committee, which reports to the Board, is responsible for reviewing accounting policies and reporting requirements, ensuring the maintenance of accounting systems and controls and ensuring that the external and internal audit processes are effective.

The Audit Committee monitors the controls that are in force and any perceived gaps in the control environment. The Audit Committee also considers and determines relevant action in respect of any control issues raised by the external auditors.

The Audit Committee met three times during the year. At the

meetings, which were attended by the external auditors and, by invitation, the Chairman and Finance Director, the following matters were reviewed and discussed: -

- The External Auditors' Report to the Committee for the year ended 31 March 2004 and the Audit and Client Service Plans for 2005.
- Planning for the requirements of the International Financial Reporting Standards (IFRS) and other relevant accounting standards.
- The terms of reference and activities of the Internal Audit Department.
- Issues raised by the Company's Turnbull quarterly reviews on the effectiveness of the internal control system and risk management.

Subsequent to the year end, the Audit Committee reviewed and discussed the External Auditors' Report to the Committee for the year ended 31 March 2005.

The Audit Committee reviews the appointment and scope of the work of the external auditors and has recommended to the Board that UHY Hacker Young be re-appointed as auditors at the next Annual General Meeting.

The Audit Committee undertakes an assessment of the auditors' independence and determines the scope of the non-audit services, which currently is limited to advisory and compliance work and company secretarial services. UHY Hacker Young do not advise the Group in respect of taxation matters or conduct due diligence assignments for potential acquisitions and they are not auditors of the Company's principal overseas subsidiaries.

Remuneration Committee

This comprised the Non-Executive Directors, Mr D J Brecher (Chairman), Sir William F Cotton, Mr P E Selway-Swift and Sir Digby Jones. On 1 July 2005, Mr D J Brecher and Sir William F Cotton retired from the committee and Mr P E Selway-Swift was appointed Chairman. Following her appointment and on the recommendation of the Nomination Committee, Ms B Blow was invited by the Board to join this committee.

The principal duties of the Remuneration Committee, which met twice during the year, are to consider all aspects of Directors' remuneration. Its policy is to establish remuneration packages, which enable the Company to attract, retain and motivate Directors with the necessary skills and experience. The Remuneration Committee considers that a part of

Directors' remuneration should be performance related and provides this through a Long-Term Incentive Plan. The committee receives input from the Chairman regarding its policy and proposals. Full details of the remuneration policy are set out in the Remuneration Report on pages 19 to 23.

The Remuneration Committee also considers the grant of share options under the Company's Executive Share Option Scheme and awards of shares to senior employees under the Company's Long-Term Incentive Plan. The policy of the committee is to award shares or grant share options to senior or other employees as part of a remuneration package that will motivate them to contribute to the success of the Company over the medium to long term.

Nomination Committee

This comprises the Executive Chairman, Mr J E Harris, who chairs the committee, and Non-Executive Directors Sir William F Cotton and Mr P E Selway-Swift. This committee, which reports to the Board, is primarily responsible for the appointment of Non-Executive Directors and succession planning. The full committee held one formal meeting during the year.

Corporate Management Committee

This comprises Mr J E Harris, Chairman, Mr D B Harris, Chief Executive and Mr A D Rose, Finance Director. This committee is responsible for treasury management and capital policies, material capital projects, appointments and promotions to senior management positions and the remuneration levels of subsidiary company directors where the Remuneration Committee does not set them.

The number of full Board meetings and principal committee meetings attended by each Director during the year was as follows:

	Board	Audit Committee	Remuneration Committee	Nomination Committee
(Number of meetings held)	(4)	(3)	(2)	(1)
J E Harris	4	3*	1*	1
D B Harris	4	n/a	n/a	n/a
A D Rose	4	3*	n/a	n/a
A Coda	4	n/a	n/a	n/a
P J Cannon	3	n/a	n/a	n/a
D J Brecher	4	3	2	n/a
W F Cotton	4	3	2	1
P E Selway-Swift	4	1	1	1
D M Jones	3	–	1	n/a

* By invitation

Internal Control and Risk Management

The Board confirms that, in accordance with the Institute of Chartered Accountants in England and Wales' publication Internal Control: Guidance for Directors on the Combined Code ("the Turnbull Guidance"), there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, and that this process has been in place for the year under review and up to the date of approval of the Annual Report and Accounts. This process, which currently does not include Grundig, is regularly reviewed by the Board and conforms to the requirements of the Code.

The Board has overall responsibility for the system of internal control, including financial, operational and compliance controls and risk management, to safeguard shareholders' investments and the Company's assets. It is acknowledged that any system of internal control is designed to manage rather than eliminate risk and that even the most effective system can only provide reasonable, and not absolute, assurance against misstatement or loss.

The Company's risk management policy requires all business units to operate appropriate and effective risk management processes. The Company has a detailed risk management process that identifies the key risks facing each division. These processes are designed to support the Group's strategic direction and business objectives. Responsibility for risk management rests with line management and the Company endeavours to ensure that the appropriate infrastructure, controls, systems and processes are in place. A Compliance Manager has the responsibility to oversee and review the internal control and risk policies and procedures and management framework within the Group. The Compliance Manager reports to the Board and to the Audit Committee on any material issues and submits a formal report to the Board to facilitate their annual review.

The Directors confirm that they have carried out a review of the effectiveness of the Group's systems of internal control and risk management, the key features of which include:

Management Structure

The Board has overall responsibility for the Group and there is a formal schedule of matters specifically reserved for decision by the Board. The Corporate Management Committee regularly monitors the Group's financial performance and cash flow. Each Executive Director has been given responsibility for specific aspects of the Group's affairs. The Executive Directors,

together with key senior executives, meet regularly to discuss day to day operational matters.

Corporate Accounting and Procedures Manual

Responsibility levels are communicated throughout the Group as part of the ISO 9001: 2000 manual which sets out, amongst other things, the general ethos of the Group, delegation of authority and authorisation levels, segregation of duties and other control procedures. The manual is updated regularly and procedures are subject to internal and external audit.

Quality and Integrity of Personnel

The integrity and competence of personnel is ensured through demanding recruitment standards and subsequent training. High quality of personnel is seen as an essential part of the control environment.

Identification of Business Risks

The Compliance Manager holds quarterly meetings of divisional heads or their nominees to review identified and emerging risks and reports to the Board on any material issues. The Board is responsible for identifying the major business risks faced by the Group and for determining the appropriate course of action to manage those risks.

Budgetary Process

Each year the Board approves the annual budget. Key risk areas are identified. Performance is monitored and relevant action is taken throughout the year through regular reporting to the Board of variances from the budget.

Investment Appraisal

Capital expenditure is regulated by a budgetary process and authorisation levels. For expenditure beyond specific levels, proposals have to be submitted to the Board. Due diligence work is carried out if a business is to be acquired.

Insurances

The Company maintains insurance cover with reputable insurers and works closely with brokers, underwriters and their consultants on risk management policies and controls.

Internal Audit Function

The Internal Audit Department was established in March 2004 and terms of reference and an audit plan were reviewed and formalised by the Audit Committee in June 2004. The Internal Audit Manager liaises with the

Compliance Manager in order to share information revealed by their individual activities and to efficiently co-ordinate effort. The Internal Audit Manager submits reports to the Audit Committee to enable it to consider the major findings of investigations and the response of management and to keep under review the effectiveness of the internal audit function.

Going Concern

The Directors confirm that the Group has adequate resources to continue in operational existence for the foreseeable future and, consequently, they continue to adopt the going concern basis in preparing the Accounts.

Directors' responsibilities for the Financial Statements

Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which 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 or loss for that period. It is also the Directors' responsibility to maintain adequate accounting records, safeguard the assets of the Company and the Group and take reasonable steps in preventing and detecting fraud and other irregularities.

The Directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements on a going concern basis, and that applicable accounting standards have been followed.

Corporate Social Responsibility ("CSR")

The Board is mindful of the guidelines produced by the Association of British Insurers and the attention being given to CSR issues by investors and wider stakeholder communities. The Board acknowledges the commercial and ethical importance of the development and maintenance of a culture of continuous improvement in CSR matters as far as they are relevant to the Group's activities and accepts that the implementation of a system for measuring and reporting on key CSR indicators may, over time, be appropriate.

Employees

The Board is committed to maintaining a working environment where staff are individually valued and

recognised, and appreciates its responsibility to encourage and assist in the employment, training, promotion and personal career development of all employees without prejudice.

It is the Group's policy to promote equal opportunities in employment and this policy extends to employees and applicants for employment. Every effort is made to ensure that applications for employment from disabled persons are fully and fairly considered having regard to their particular aptitudes and abilities and that disabled employees have equal opportunity in training, career development and promotion. In the event of an existing employee becoming disabled, every effort is made to ensure that their employment by the Group continues and that appropriate adjustments and training are provided.

The Group recognises that its employees are fundamental to its continued success and strives to provide an environment which attracts and retains the best staff. It also places value on the involvement of its employees and keeps them informed not only on matters affecting them as employees, but also on various factors, including economic and financial matters, affecting the performance of the Group. This is achieved through both formal and informal meetings which also provide an opportunity for the views of employees to be taken into account in making decisions which are likely to affect their interests.

Participation by eligible staff in the success of the Group is encouraged by the availability of a UK only Savings-Related Share Option Scheme and an Executive Share Option Scheme for senior staff, which aligns their interests with those of shareholders by requiring that options may only be exercised conditional upon performance criteria being achieved.

During the year the Company reviewed alternative arrangements for the provision of retirement benefits to its UK employees. With effect from 1 July 2005 the Alba plc Group Retirement and Death Benefits Scheme, a contracted-in money purchase scheme was closed and a Stakeholder Pension Plan, which offers comparable money purchase benefits, was established. The new arrangement provides greater flexibility and significant fund choice to members by giving them control over an individual contract in their own name. The Group's overseas subsidiaries provide mandatory pension scheme facilities for their eligible employees.

Health, Safety and Environmental Policies

The Group recognises and accepts its responsibilities for health, safety and the environment ("H, S & E"). The Compliance Manager is also responsible for compliance issues including Health & Safety advice and for the development and monitoring of H, S & E policies, procedures and control systems. He reports to the Board through the Chief Executive.

The Group is committed to maintaining a safe and healthy working environment at all its locations, which fully reflects local requirements for overseas sites, not only for our employees but also for visitors, members of the public and third parties. The Group recognises that it is everyone's responsibility for reducing the risk of injury and occupational related illness at the workplace. A nominee is appointed at each of our UK locations and is trained to act as a Representative for Employee Safety and to monitor adherence to agreed procedures and controls, reporting back centrally when appropriate.

The Group seeks to minimise the environmental impact of its activities and aims to operate in accordance with the standards required by law, codes of best practice and issued guidelines. It takes a constructive and responsible stance in relation to its compliance obligations. As the Group's manufacturing is outsourced, the Board considers its own activities to be relatively low risk in environmental terms. In relation to its "producer" responsibilities for collection and recycling of electrical and electronic equipment it became a founder member of REPIC (Recycling Electrical Producers Industry Consortium), an association whose principal object is to assist its members to fulfil their obligations under the Waste Electrical and Electronic Equipment ("WEEE") Regulations. REPIC has already played a major part in influencing sector and Government thinking. The Group has also responded, independently and through its membership of SEAMA, the Small Electrical Appliance Manufacturers Association, to the relevant consultative papers and through ongoing discussions between Government officials and the Industry in relation to the development of the legislation on WEEE, the Restriction of Hazardous Substances in Electrical and Electronic Equipment ("RoHS") and the Eco-design requirements for Energy-Using Products ("EuP") Directives.

The RoHS Directive, which is due to come into force in 2006, requires significant changes to key materials within a number of product sectors. These regulations demand robust forward planning and the Group is continuing to carefully monitor and assess risk. It remains actively

engaged in close liaison with its suppliers to ensure that products will comply with the specific requirements of RoHS.

Key elements of the Group's social, environmental and ethical (SEE) policy are:

- i) The integration of an SEE audit into a comprehensive supplier quality assurance programme with factory audits and inspections being carried out by qualified inspectors and a qualified environmental engineer. These audits cover conditions of employment, health and safety, working conditions and environmental issues. Further details are set out under the heading "Suppliers" below.
- ii) An ongoing product review programme which assesses and minimises the environmental impact resulting from product manufacture, use and eventual disposal.
- iii) The continuation of efforts to minimise the environmental impact of product packaging through reduction at source, use of recyclable or recycled materials and the active encouragement of the proper recycling of packaging waste.
- iv) The management and control of waste disposal both from its warehouses and office facilities.
- v) The continuous improvement of efficient use of transport resources, both for the importation of products and the distribution to our customers.
- vi) The strategic location of distribution centres close to its key customer base to minimise fuel consumption and exhaust emissions.
- vii) Effective communication to management, employees and suppliers of the Group's SEE policy to ensure their commitment to practical implementation and ongoing development.

Suppliers

The Group, which is not directly involved in any manufacturing processes, seeks to develop long-term business relationships with its suppliers who are required to maintain ethical standards that are acceptable to the Group and to conduct their business dealings in a fair and honest way. These principles, which are set out in a Code of Conduct ("the Code"), extend to their relations with employees, sub contractors and other third parties.

There are specific requirements relating to employment conditions based on a respect for fundamental human rights. Issues such as a minimum wage, overtime, hours of work and sickness pay must fully comply with local laws, custom and

practice. Exploitation of child labour or any other vulnerable group is not tolerated, nor is the use of forced or bonded labour nor any practice involving physical or mental abuse. Suppliers must comply with all local laws relating to health and safety, both in the workplace and residentially where facilities are provided. The provision of adequate first aid facilities is essential at all times and in all locations. The Group requires working conditions to be of an acceptable standard with the provision, to all staff, of access to sanitation, drinking water and fire escapes, adequate ventilation, reasonable working temperatures and arrangements for meal breaks.

Suppliers are expected to adhere to all laws and local regulations relating to the protection of the environment and to actively acknowledge their responsibility to improve the environment through participation in any local initiatives. The Code is reviewed on a regular basis and employees and suppliers are invited to contribute to the further development of it.

Relations with Shareholders

Presentations by the Chairman, Chief Executive and Financial Director to institutional shareholders and City analysts are made on the issue of full year and interim results and as and when considered appropriate by the Board or the Company's advisers.

All shareholders are invited to attend the Company's Annual General Meeting each year and have the opportunity to put questions to the Board. The Chairmen of the Audit, Remuneration and Nomination Committees will also be available at the forthcoming Annual General Meeting to answer shareholders' questions.

By Order of the Board

J E Malin Secretary

8 July 2005

consolidated profit and loss account

	Notes	for the year ended 31 March 2005 £'millions	for the year ended 31 March 2004 £'millions
Turnover - Group and share of joint venture		763.5	617.7
- Less: share of joint venture		(98.9)	-
- Group turnover	2	664.6	617.7
Cost of Sales		(587.4)	(533.3)
Gross Profit		77.2	84.4
Net operating expenses	3	(56.3)	(51.9)
Operating Profit		20.9	32.5
Share of profit of joint venture		1.5	-
		22.4	32.5
Interest payable (net)	4	(1.6)	(1.4)
Profit on ordinary activities before taxation	5	20.8	31.1
Tax on Profit on ordinary activities	7	(5.2)	(7.1)
Profit attributable to Shareholders		15.6	24.0
Dividends	8	(5.6)	(5.6)
Retained profit		10.0	18.4
Earnings per Ordinary Share	9	30.8p	47.8p
Diluted earnings per Ordinary Share	9	30.4p	47.0p

statement of total recognised gains and losses

Profit attributable to Shareholders	15.6	24.0
Currency translation differences on foreign currency investments in overseas subsidiaries	(2.3)	(7.6)
Currency translation differences on foreign currency investment hedges	0.8	8.9
Tax on foreign currency investment hedges	(0.2)	(1.5)
Total recognised gains relating to the year	13.9	23.8

consolidated balance sheet

	Notes	2005 £'millions	31 March 2005 £'millions	2004 £'millions	31 March 2004 £'millions
Fixed assets					
Intangible fixed assets	10		0.7		1.2
Investment in joint venture					
Share of gross assets	11	73.7		–	
Share of gross liabilities	11	(42.8)		–	
			30.9		–
<hr/>					
Tangible fixed assets	12		18.8		19.2
			50.4		20.4
<hr/>					
Current assets					
Stocks	14	114.7		100.8	
Debtors	15	101.8		86.5	
Investments	16	–		–	
Cash at bank and in hand		5.9		3.9	
		222.4		191.2	
<hr/>					
Creditors					
Amounts falling due within one year	17	(142.5)		(115.4)	
<hr/>					
Net current assets			79.9		75.8
<hr/>					
Total assets less current liabilities			130.3		96.2
<hr/>					
Creditors falling due after one year			(24.4)		–
Provision for liabilities and charges	19		(1.9)		(1.6)
			104.0		94.6
<hr/>					
Capital and reserves					
Called up share capital	20		5.1		5.1
Share premium account	21		18.2		17.0
Profit and loss account	21		81.2		72.9
<hr/>					
Shareholders' funds – equity			104.5		95.0
Investment in own shares	23		(0.5)		(0.4)
			104.0		94.6
<hr/>					

company balance sheet

	Notes	2005 £'millions	31 March 2005 £'millions	2004 £'millions	31 March 2004 £'millions
Fixed assets					
Investments	13		25.0		25.0
Current assets					
Debtors	15	34.5		34.5	
		34.5		34.5	
Creditors					
Amounts falling due within one year	17	(12.6)		(14.4)	
Net current assets					
			21.9		20.1
Total assets less current liabilities					
			46.9		45.1
Capital and reserves					
Called up share capital	20		5.1		5.1
Share premium account	21		18.2		17.0
Capital reserve	21		2.7		2.7
Profit and loss account	21		21.4		20.7
Shareholders' funds – equity					
			47.4		45.5
Investment in own shares	23		(0.5)		(0.4)
			46.9		45.1

The accounts on pages 30 to 46 were approved by the Board of Directors on 8 July 2005 and signed on its behalf by:

J E Harris Director

A D Rose Director

consolidated cash flow statement

	Notes	2005 £'millions	for the year ended 31 March 2005 £'millions	2004 £'millions	for the year ended 31 March 2004 £'millions
Cash flow from operating activities	24		(11.7)		18.6
Returns on investments and servicing of finance					
Interest received		1.1		0.2	
Interest paid		(2.7)		(1.6)	
			(1.6)		(1.4)
Taxation					
UK corporation tax paid		(6.1)		(3.0)	
Overseas tax paid		(0.4)		(0.8)	
			(6.5)		(3.8)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(0.8)		(5.6)	
			(0.8)		(5.6)
Acquisitions and disposals					
Purchase of Investments		(30.4)		(0.5)	
			(30.4)		(0.5)
Equity dividends paid			(5.6)		(5.0)
Cash (outflow)/inflow before use of liquid resources and financing			(56.6)		2.3
Financing					
Issue of ordinary share capital		1.2		0.9	
Increase/(decrease) in debt		28.3		(0.1)	
			29.5		0.8
(Decrease)/increase in cash in year			(27.1)		3.1

reconciliation of net cash flow to movement in net debt

(Decrease)/increase in cash in year		(27.1)		3.1
Cash (inflow)/outflow from (increase)/decrease in debt		(28.3)		0.1
Change in net debt resulting from cash flow			(55.4)	3.2
Translation difference			0.3	1.0
Movement in net debt in year			(55.1)	4.2
Net debt at 1 April 2004			(38.5)	(42.7)
Net debt at 31 March 2005	25		(93.6)	(38.5)

notes to the accounts

1 Principal Accounting Policies

Basis of Accounting

The accounts are prepared in accordance with the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies are set out below:

Basis of Consolidation

All subsidiary undertakings are included in the consolidation. Goodwill on acquisitions prior to 31 March 1995 has been eliminated against reserves. This goodwill, totalling £11.6m, remains eliminated against reserves and will be charged, or credited, to the profit and loss account on the subsequent disposal of the businesses to which it relates. Goodwill on acquisitions subsequent to 31 March 1995 is capitalised and amortised. Joint Ventures are accounted for under the gross equity method of accounting. The Group's share of turnover of the Joint Venture is stated after excluding its share of sales from the Group to the Joint Venture.

Fixed Assets

Tangible fixed assets are stated at cost less depreciation and depreciated over their expected useful lives on a straight line basis as follows:

Land and buildings	2 per cent per annum or over the term of the lease
Furniture, fixtures and equipment	15 per cent per annum
Motor vehicles	25 per cent per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents all direct costs incurred in bringing stocks to their current condition and location including an appropriate proportion of overheads.

Current Assets – Investments

Investments are shown at cost. Provisions for temporary fluctuations in value are made if material.

Deferred Taxation

Full provision is recognised in respect of all timing differences that have originated but have not reversed by the balance sheet date. Deferred taxation is not recognised on permanent timing

differences. Deferred taxation assets are only recognised when that asset is regarded as recoverable.

Foreign Currencies

Assets, liabilities and trading results denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the Balance Sheet date. Gains or losses arising from trading operations are dealt with in the Profit and Loss Account. Foreign exchange differences arising on the translation of the opening net assets of the overseas subsidiaries, and on the translation of any loans taken out to hedge those investments, are taken to reserves.

Turnover

Turnover, which excludes value added tax and sales between Group companies, represents the invoiced value of goods.

Leases

Assets held under operating leases are not reported in the Balance Sheet. Assets held under finance leases are capitalised at the fair value of the asset with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is depreciated over the shorter of the lease term and its useful economic life. Finance charges are allocated to accounting periods over the period of the lease to produce a constant rate of return on the outstanding balance. Rentals are apportioned between finance charges and reduction of the liability, and allocated to cost of sales and other operating expenses as appropriate. Rentals under operating leases are charged on a straight-line basis over the lease term. Hire purchase transactions are dealt with similarly except that assets are depreciated over their useful lives.

Pensions

Group companies contribute to defined contribution pension schemes on behalf of the Directors and other members of staff. Costs are charged to the Profit and Loss Account as incurred.

Forward Foreign Exchange Contracts

Forward foreign exchange contracts are taken out by the Group as hedges to assist in the management of its currency risk profile and are accounted for using hedge accounting. Amounts receivable or payable under forward foreign exchange contracts are not included on the Balance Sheet. The gain or loss on the hedge is reflected in the financial statements by recording the hedged transaction in the Balance Sheet at the hedged rate of exchange.

2 Segment Information

(i) The turnover attributable to the different classes of the Group's business were as follows:

	Group £'millions	Share of joint venture £'millions	for the year ended 31 March 2005 £'millions	Group £'millions	Share of joint venture £'millions	for the year ended 31 March 2004 £'millions
Electronic and audio equipment and domestic appliances	656.1	98.9	755.0	610.0	–	610.0
Giftware	8.5	–	8.5	7.7	–	7.7
	664.6	98.9	763.5	617.7	–	617.7

No analysis of net assets and profits by class of business is disclosed as the amounts relating to Giftware are not considered to be material.

(ii) The geographical analysis of turnover by destination is as follows:

United Kingdom	541.4	–	541.4	519.4	–	519.4
Italy	49.5	8.9	58.4	49.5	–	49.5
Germany	32.9	51.4	84.3	8.5	–	8.5
Switzerland	5.2	4.1	9.3	5.4	–	5.4
France	3.9	2.0	5.9	3.7	–	3.7
Rest of Europe	30.6	42.6	73.2	30.9	–	30.9
Rest of World	1.1	2.0	3.1	0.3	–	0.3
	664.6	111.0	775.6	617.7	–	617.7
less : 50% of Group sales to Grundig	–	(12.1)	(12.1)	–	–	–
	664.6	98.9	763.5	617.7	–	617.7

(iii) Geographical analysis of turnover and net assets by origin has not been disclosed as in the opinion of the Directors such information would be seriously prejudicial to the interests of the Group.

3 Net Operating Expenses	for the year ended 31 March 2005 £'millions	for the year ended 31 March 2004 £'millions
Selling and distribution	18.1	15.6
Administration	38.6	37.1
Other operating income	(0.4)	(0.8)
	56.3	51.9

notes to the accounts

	for the year ended 31 March 2005 £'millions	for the year ended 31 March 2004 £'millions
4 Interest Payable (net)		
Bank Loans and overdrafts repayable within five years	2.7	1.6
Less: bank interest receivable	(0.2)	(0.2)
interest from joint venture	(0.9)	–
	1.6	1.4

5 Profit on ordinary activities before taxation is stated after charging

Directors' emoluments	1.8	1.3
Auditors' remuneration		
Audit services – UK (parent company's auditors)	0.1	0.1
– Overseas	0.1	0.1
Depreciation of fixed assets:		
Owned	1.2	1.4
Amortisation of Goodwill / Intangibles (including Grundig)	0.9	0.9
Amounts paid in respect of operating leases for plant and machinery	0.4	0.4
Gains on foreign currency borrowings	0.9	–

Audit services - overseas includes £4,000 (2004 : £3,000) payable to one member of the parent company's auditors' international network.

The parent company's auditors received fees for non audit services totalling £9,300 (2004 : £10,550), including £3,000 (2004 : £3,000) in respect of the audit of the Group's UK pension scheme.

6 Employee Information

Staff Costs (including Directors) were:		
Wages and salaries	24.2	20.7
Social security costs	2.2	1.8
Pension contributions	0.8	0.8
	27.2	23.3

	Number	Number
The average number of persons employed by the Group (including Directors) during the year was as follows:		
Selling and administration	375	351
Warehousing, distribution and manufacturing	517	513
	892	864

In addition to the emoluments disclosed above the Directors received shares to a total value of £0.3m (2004 : £0.2m) as a result of the release of awards under the Long-Term Incentive Plan.

Details of Directors' emoluments in aggregate for each Director and share options are given in the Remuneration Report.

notes to the accounts

	for the year ended 31 March 2005 £'millions	for the year ended 31 March 2004 £'millions
7 Taxation		
The tax charge comprises:		
UK corporation tax on profits for the year	3.2	6.3
Adjustments for previous periods	(0.3)	0.3
	2.9	6.6
Overseas tax - Group	1.5	2.0
- Share of joint venture	0.5	-
Total current tax	4.9	8.6
Deferred tax	0.3	(1.5)
	5.2	7.1

The tax charge is lower than the standard rate of UK corporation tax of 30%.

The differences are:

Profit on ordinary activities	20.8	31.1
Tax on profit on ordinary activities at the standard rate of UK corporation tax at 30%	6.2	9.3
Effects of:		
Non allowable and non taxable items	(0.3)	0.1
Timing differences dealt with under deferred tax	(0.4)	1.2
Tax losses not used/(utilised)	0.9	(1.5)
Lower rates on overseas earnings	(0.9)	(1.0)
Adjustments to tax charges for previous periods:		
UK corporation tax	(0.3)	0.3
Overseas tax	-	0.2
Other	(0.3)	-
Total current tax	4.9	8.6

8 Dividends

Ordinary:		
Interim paid 2.25p per share (2004 : 2.25p)	1.1	1.1
Final proposed 8.75p per share (2004 : 8.75p)	4.5	4.5
	5.6	5.6

notes to the accounts

9 Earnings per Ordinary Share

Earnings per share are based upon earnings of £15.6m (2004 : £24.0m) and 50,666,378 (2004 : 50,191,709) Ordinary Shares being the weighted average number of shares in issue excluding the shares held by The Alba plc ESOP Trust.

Diluted earnings per share are based upon earnings of £15.6m (2004 : £24.0m) and 51,367,806 (2004 : 51,061,172) Ordinary Shares allowing for the exercise of outstanding share options exercisable at a price below the average value during the period and the shares held by The Alba plc ESOP Trust.

10 Intangible Fixed Assets	Group 31 March 2005 £'millions	Group 31 March 2004 £'millions
Goodwill:		
Cost		
At 1 April 2004	4.3	4.3
At 31 March 2005	4.3	4.3
Amortisation:		
At 1 April 2004	3.1	2.2
Amount provided	0.5	0.9
At 31 March 2005	3.6	3.1
Net book value:		
At 1 April 2004	1.2	2.1
At 31 March 2005	0.7	1.2

Goodwill arising on acquisition of the telecoms division and of Pulse Home Products Limited is being amortised over the Directors' estimate of its useful economic life of 5 years.

11 Investment in joint venture

On 10 May 2004, a joint venture company, Grundig Multimedia BV, ("Grundig"), in which the Group has a 50% interest acquired from the administrator, the business and the majority of the assets of the Home Intermedia Systems division of Grundig AG based in Nuremburg, Germany, together with the entire issued share capital of certain national sales organisations of Grundig. The net assets acquired can be summarised as follows:

	£'millions	£'millions
Non current assets - fixed		4.7
- intangible		16.6
- other		0.5
		21.8
Current assets - stocks	15.4	
- debtors	20.1	
- cash	16.2	
	51.7	
Current liabilities	(13.0)	
		38.7
		60.5
Non current liabilities		(2.7)
Net assets		57.8

notes to the accounts

Alba's share of the consideration has been injected into Grundig by way of equity (£5.1 million) and shareholder loans (£23.8 million). Alba's total investment of £29.9 million includes approximately £1.0 million of costs.

The Group's share of the trading of Grundig for the period ending 31 March 2005 and its share of the assets of Grundig as at 31 March 2005 may be summarised as follows:

	Group 31 March 2005 £'millions	Group 31 March 2004 £'millions
Turnover	111.0	–
Less: 50% of Group sales to Grundig	(12.1)	–
	98.9	–
Profit before tax	1.5	–
Taxation	(0.5)	–
Profit after taxation	1.0	–
Goodwill on acquisition	1.6	–
Non current assets	10.5	–
Current assets	61.6	–
	73.7	–
Creditors: amounts falling due within one year	(40.4)	–
Creditors: amounts falling due after more than one year	(2.4)	–
Total net assets	30.9	–

The Group's turnover for the year includes £24.2 million (2004 : Nil) of sales to Grundig and at 31 March 2005, Grundig owed the Group £10.7 million in respect of these sales. Profit before taxation for the year is stated after amortisation of intangible assets of £0.4 million (2004 : nil). The agreement between the Group and its joint venture partner precludes the distribution of retained profits until the shareholder loans have been paid off in full.

12 Tangible Fixed Assets	Freehold Property £'millions	Leasehold Land and Buildings £'millions	Furniture, Fixtures and Equipment £'millions	Motor Vehicles £'millions	Total £'millions
Group:					
Cost					
At 1 April 2004	6.5	10.8	10.3	0.7	28.3
Additions	0.1	0.1	0.6	–	0.8
Disposals	–	–	(0.1)	–	(0.1)
At 31 March 2005	6.6	10.9	10.8	0.7	29.0
Aggregate depreciation					
At 1 April 2004	0.8	1.4	6.4	0.5	9.1
Amount provided	–	0.2	0.9	0.1	1.2
Elimination on disposals	–	–	(0.1)	–	(0.1)
At 31 March 2005	0.8	1.6	7.2	0.6	10.2
Net book value					
At 31 March 2005	5.8	9.3	3.6	0.1	18.8
At 1 April 2004	5.7	9.4	3.9	0.2	19.2

The Leasehold land and buildings comprise premises with unexpired terms of over 50 years.

notes to the accounts

13 Investments	Company 31 March 2005 £'millions	Company 31 March 2004 £'millions
Investments in Subsidiaries:		
Shares at cost at beginning and end of year	25.0	25.0

A summary of the principal subsidiary companies is shown below:

Name of Company	Country of incorporation and principal place of business	% of capital held	Class of capital issued	Nature of Business
Held directly:				
Alba Radio Limited	England	100	521,004 £1 ordinary shares	Audio, video, telecoms and consumer electronic equipment importer and distributor
Bush Radio plc	England	100	9,400,000 10p ordinary shares	
Goodmans Industries Limited	England	100	400,000 £1 ordinary shares 700,000 £1 redeemable ordinary shares	
Harvard International Limited	England	100	1,000 £1 ordinary shares	Importer and distributor
Pulse Home Products Limited	England	100	10,722,000 £1 ordinary shares	Domestic appliance importer and distributor
Held indirectly:				
Harvard Maritime Limited	Hong Kong	100	100,000,000 HK\$1 ordinary shares, 960,000,000 HK\$1 redeemable ordinary shares	Importer and exporter
Alba France SA	France	100	500,000 Euro 1 ordinary shares	Importer and distributor
Harvard International (Hong Kong) Limited	Hong Kong	100	5,000 HK\$10 ordinary shares	Inspection, sourcing and administration services
Roadstar Management SA	Switzerland	100	2,700 CHF1,000 ordinary shares	Management, importer and exporter
Roadstar Italia SpA	Italy	100	450,000 Euro 10 ordinary shares	Importer and distributor
Roadstar UK Limited	England	100	100,000 £1 ordinary shares	Importer and distributor
Roadstar Deutschland GmbH	Germany	100	Euro 25,565 ordinary share, Euro 230,081 ordinary share and Euro 255,646 ordinary share	Importer and distributor
Bush Australia PTY Limited	Australia	100	100,000 Aus\$1 shares	Importer and distributor
Grundig Multimedia BV	Netherlands	50	180 Euro 100 ordinary shares	Management, importer and distributor

The agreement between the Group and its joint venture partner include pre-emption rights in respect of a disposal of shares in Grundig.

Advantage has been taken of the exemptions available under the Companies Act 1985 not to disclose all the Group subsidiary companies.

A full list of subsidiaries will be included in the next annual return.

notes to the accounts

	Group 31 March 2005 £'millions	Group 31 March 2004 £'millions
14 Stocks		
Goods for resale	111.0	91.2
Stock in transit	3.7	9.6
	114.7	100.8

The cost of stocks include interest of £0.6 million (2004 : £0.4 million)

	Group 31 March 2005 £'millions	Group 31 March 2004 £'millions	Company 31 March 2005 £'millions	Company 31 March 2004 £'millions
15 Debtors				
Trade debtors	93.7	79.9	-	-
Amounts owed by subsidiaries	-	-	34.5	34.5
Other debtors	3.2	1.8	-	-
Value Added Tax	0.5	-	-	-
Prepayments and accrued income	4.4	4.8	-	-
	101.8	86.5	34.5	34.5

	Group 31 March 2005 £'millions	Group 31 March 2004 £'millions
16 Current Asset Investments		
UK Government securities	-	-
The Market Value of listed investments at the year end was £6,000 (2004 : £6,000)		

	Group 31 March 2005 £'millions	Group 31 March 2004 £'millions	Company 31 March 2005 £'millions	Company 31 March 2004 £'millions
17 Creditors Amounts falling due within one year				
Bank loans and overdrafts	41.2	9.9	-	-
Trade creditors	41.9	38.6	-	-
Bank import advances	33.9	32.5	-	-
Amounts owed to subsidiaries	-	-	7.0	8.8
Other creditors	4.2	2.1	-	-
Other taxation and social security	3.0	2.5	-	-
Value Added Tax	-	3.3	-	-
Accruals	7.2	12.2	-	-
Corporation tax	5.5	8.7	-	-
Dividends payable	5.6	5.6	5.6	5.6
	142.5	115.4	12.6	14.4

The bank import advances are specifically secured on the related imported merchandise.

notes to the accounts

	Group 31 March 2005 £'millions	Group 31 March 2004 £'millions
18 Creditors falling due after one year		
Bank loans and overdrafts:		
Repayable after one but within two years	9.9	–
Repayable after two but within three years	9.9	–
Repayable after three but within four years	3.0	–
Repayable after four but within five years	1.6	–
	24.4	–
19 Provision for Liabilities and Charges		
The provision for deferred taxation is as follows:		
Accelerated capital allowances	2.1	2.2
Short term timing differences	(0.2)	(0.4)
Losses	–	(0.2)
	1.9	1.6
Movement on Provision:		
At 1 April 2004	1.6	1.6
Profit and loss account charge	0.3	(1.5)
Tax on foreign currency investment hedges	–	1.5
At 31 March 2005	1.9	1.6

The Group has not made provision for deferred taxation on any future remittance of accumulated reserves of overseas subsidiaries as no such remittances are expected in the foreseeable future. Furthermore, the Group has not created a deferred tax asset in recognition of the trading losses of subsidiary companies that may be available for relief against future profits of the same trade. The deferred tax asset which has not been recognised amounts to approximately £0.9m (2004 : £2.9m).

notes to the accounts

20 Called up Share Capital	Group and Company 31 March 2005 £'millions	Group and Company 31 March 2004 £'millions
Authorised:		
60,000,000 Ordinary Shares of 10p each (2004 : 60,000,000 Ordinary Shares of 10p each)	6.0	6.0
Allotted, called up and fully paid:		
At 1 April 2004 (50,654,478 Ordinary Shares of 10p each)	5.1	5.0
Options exercised	-	0.1
At 31 March 2005 (51,097,154 Ordinary Shares of 10p each)	5.1	5.1

During the year 5,000 Ordinary Shares of 10p each were issued for £10,725 under the Alba plc Executive Share Option Scheme, and 242,820 Ordinary Shares of 10p each were issued for £717,131 under the Alba plc 1996 Executive Share Option Scheme. In addition, 194,856 Ordinary Shares of 10p each were issued for £454,149.48 under the Alba plc 1996 Savings-Related Share Option Scheme. Subsequent to the year end no Ordinary Shares were issued under any of the share option schemes.

Options over the Company's share capital under the Alba plc Executive Share Option Scheme, the Alba plc 1996 Executive Share Option Scheme and the Alba plc 1996 Savings-Related Share Option Scheme at 31 March 2005 were as follows:

No of shares	Option price	Exercisable between	No of shares	Option price	Exercisable between
40,000	214.5p	14/7/1998 - 13/7/2005	36,911	264p	1/9/2006 - 28/2/2007
80,000	276.5p	9/1/1999 - 8/1/2006	114,750	248p	1/9/2006 - 28/2/2007
10,169	215p	19/12/1999 - 18/12/2006	35,914	248p	1/9/2008 - 28/2/2009
48,975	772.5p	20/7/2003 - 19/7/2010	43,966	350p	1/2/2006 - 31/7/2006
13,025	772.5p	20/7/2003 - 19/7/2007	48,634	350p	1/2/2008 - 31/7/2008
48,240	305p	25/6/2004 - 24/6/2011	53,439	350p	1/2/2010 - 31/7/2010
37,323	305p	25/6/2004 - 24/6/2008	47,422	636p	1/9/2007 - 28/2/2008
160,790	437.5	16/12/2005 - 15/12/2012	39,087	636p	1/9/2009 - 28/2/2010
147,710	437.5	16/12/2005 - 15/12/2009	12,868	636p	1/9/2011 - 28/2/2012
148,644	752.5	14/7/2007 - 13/7/2014			
193,856	752.5	14/7/2007 - 13/7/2011			

notes to the accounts

21 Reserves	Share premium account £'millions	Capital reserve £'millions	Profit and loss account £'millions
Group:			
At 1 April 2004	17.0	–	72.9
Retained profit for the year	–	–	10.0
Foreign exchange translation difference (net)	–	–	(1.7)
Premium on options exercised (net of costs)	1.2	–	–
At 31 March 2005	18.2	–	81.2
Company:			
At 1 April 2004	17.0	2.7	20.7
Retained profit for the year	–	–	0.7
Premium on options exercised (net of costs)	1.2	–	–
At 31 March 2005	18.2	2.7	21.4

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the Company is not presented as part of the accounts. Profit on ordinary activities after taxation for the year of £6.3m (2004 : £9.4m) has been dealt with in the accounts of the Company.

22 Reconciliation of Movements in Shareholders' Funds	Group 31 March 2005 £'millions	Group 31 March 2004 £'millions
Profit attributable to shareholders for the financial year	15.6	24.0
Dividends	(5.6)	(5.6)
	10.0	18.4
Other recognised gains and losses relating to the year (net)	(1.7)	(0.2)
New share capital issued	1.2	0.9
Net addition to shareholders' funds	9.5	19.1
Opening shareholders' funds	95.0	75.9
Closing shareholders' funds	104.5	95.0

notes to the accounts

	Group 31 March 2005 £'millions	Group 31 March 2004 £'millions	Company 31 March 2005 £'millions	Company 31 March 2004 £'millions
23 Investment in own shares				
Shares at cost at beginning of year	0.4	0.3	0.4	0.3
Charged to Profit and Loss Account during year	(0.4)	(0.4)	(0.4)	(0.4)
Acquired during the year	0.5	0.5	0.5	0.5
	0.5	0.4	0.5	0.4

The own shares are listed on the London Stock Exchange. The market value of these investments at 31 March 2005 was £1.3m (2004 : £2.1m).

439,026 shares (of which 200,000 shares were purchased subsequent to the year end) are held by The Alba plc ESOP Trust which has waived its right to receive dividends. Of these, 237,285 shares have been conditionally awarded. Administrative costs of the Trust are charged to the Profit and Loss Account as incurred.

The Long-Term Incentive Plan ("Incentive Plan") enables the Trustees of the Alba plc ESOP Trust ("the Trust"), in consultation with the Remuneration Committee, to grant conditional awards over existing shares held by the Trust to selected executives (including Directors) which are subject to the achievement of performance targets over a defined performance period. The Incentive Plan takes the place of the Company's other performance awards to the extent that executives who receive awards under the Incentive Plan do not participate further in the Company's Executive Share Option Scheme until their award entitlements under the Incentive Plan have become absolute. In addition to the awards to Directors as detailed on page 21 other executives were awarded a total of 22,146 shares on 1 July 2002, 22,758 shares on 1 July 2003 and 15,757 shares on 1 July 2004.

During the year ended the 31 March 2005, in addition to the shares released to Directors as detailed on page 21, the Trustees of the Alba plc ESOP Trust also released 23,031 Ordinary Shares in the Company to other executives.

	Group 31 March 2005 £'millions	Group 31 March 2004 £'millions
24 Reconciliation of Operating Profit to Operating Cash Flows		
Operating profit	20.9	32.5
Depreciation	1.2	1.4
Increase in stocks	(14.7)	(18.5)
Increase in debtors	(16.5)	(15.1)
(Decrease)/Increase in creditors	(3.5)	17.0
Amortisation of investment in own shares	0.4	0.4
Amortisation of goodwill	0.5	0.9
Net cash inflow from operating activities	(11.7)	18.6

25 Analysis of Net Debt	At 1 April 2004 £'millions	Cash flow £'millions	Exchange movement £'millions	At 31 March 2005 £'millions
Cash at bank and in hand	3.9	2.1	(0.1)	5.9
Bank loans and overdrafts	(9.9)	(56.1)	0.4	(65.6)
Bank import advances	(32.5)	(1.4)	-	(33.9)
	(38.5)	(55.4)	0.3	(93.6)

26 Guarantees and other financial commitments

- (a) Capital commitments contracted for but not provided in the accounts amounted to £nil for the Group and £nil for the Company (2004 : £nil and £nil respectively). Amounts authorised by the Directors but not contracted for were £nil for the Group and £nil for the Company (2004 : £nil and £nil respectively).
- (b) The Group has entered into non-cancellable leases in respect of plant and machinery, the payments for which extend over a period of up to four years. The total annual rental (including interest) for the year ended 31 March 2005 was £413,000 (2004 : £352,000) of which £nil (2004 : £nil) was applicable to the Company. The lease agreements provide that the Group will pay all insurance. The total annual rental (including interest) for the year ending 31 March 2005 is £422,000 of which £55,000 relates to leases terminable in the year.
- (c) The Group has discounted trade bills with recourse, amounting to £0.6m at 31 March 2005 (2004 : £0.6m).
- (d) The Company has guaranteed the borrowings of its subsidiary companies.
- (e) Information on the Group's financial instruments is given in the Business and Financial Review on pages 13 and 14.

Independent Auditors' Report to the Shareholders of Alba plc

We have audited the financial statements of Alba plc for the year ended 31 March 2005 which comprise the Profit and Loss Account, the Balance Sheets, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 part of the Directors' Remuneration Report to be audited 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 with the company and other members of the group is not disclosed.

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 form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the unaudited part of the Directors' Remuneration Report, the Chairman's Statement, the Business and Financial Review and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 part of the Directors' Remuneration Report to be audited. 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.

independent auditors' report

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 part of the Directors' Remuneration Report to be audited 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 part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion :

- the financial statements give a true and fair view of the state of the Group's and the Company's affairs as at 31 March 2005 and of the Group's profit for the year then ended; and
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985.

St Alphage House
2 Fore Street
London
EC2Y 5DH
8 July 2005

UHY Hacker Young

Chartered Accountants
and Registered Auditors

notice of annual general meeting

Alba plc ("the Company")

Notice is hereby given that the 2005 Annual General Meeting of the Company will be held at Harvard House, 14-16 Thames Road, Barking, Essex IG11 0HX on 22 September 2005 at noon for the following purposes:

- 1 To receive the Accounts of the Company for the year ended 31 March 2005 and the Directors' Report and the Auditors' Report thereon.
- 2 To approve the Remuneration Report of the Company for the year ended 31 March 2005.
- 3 To declare a final dividend for the year ended 31 March 2005.
- 4 To re-elect as a Director Ms B Blow who retires from office under Article 78 of the Articles of Association of the Company and, being eligible, offers herself for re-election.
- 5 To re-elect as a Director Mr J E Harris who retires from office under Article 78 of the Articles of Association of the Company and, being eligible, offers himself for re-election.
- 6 To re-elect as a Director Mr P J Cannon who retires from office under Article 78 of the Articles of Association and, being eligible, offers himself for re-election.
- 7 To re-elect as a Director Mr D B Harris who retires from office under Article 78 of the Articles of Association and, being eligible, offers himself for re-election.
- 8 To re-elect as a Director Mr D J Brecher who retires from office and, being eligible, offers himself for re-election.
- 9 To re-elect as a Director Sir William F Cotton who retires from office and, being eligible, offers himself for re-election.
- 10 To re-appoint UHY Hacker Young as the Auditors of the Company to hold office until the conclusion of the next general meeting at which accounts and reports are laid.
- 11 To authorise the Directors to fix UHY Hacker Young's remuneration.

To consider and, if thought fit, to pass the following resolutions which will be proposed as to Resolution 12 as an Ordinary Resolution of the Company and as to Resolutions 13 and 14 as Special Resolutions of the Company:

12 That, pursuant to Article 6 of the Company's Articles of Association, the Directors be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of

the Company to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal value of £890,284.60 being approximately 17.49% of the Company's issued ordinary share capital (excluding treasury shares) on 8 July 2005 and the whole of the unissued ordinary share capital of the Company on that date, provided that such authority shall expire on the earlier of 21 December 2006 and the conclusion of the Annual General Meeting to be held in 2006 unless previously renewed, varied or revoked by the Company in general meeting save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

13 That, pursuant to Article 7 of the Company's Articles of Association and subject to the passing of Resolution 12 above, the Directors be and are hereby generally and unconditionally empowered pursuant to Section 95 of the Companies Act 1985 ("the Act") to allot equity securities (as defined in Section 94 of the Act) pursuant to the authority granted by Resolution 12 above as if Section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited to the allotment wholly for cash:

(i) of equity securities in connection with a rights issue in favour of Ordinary Shareholders or allottees of Ordinary Shares where the equity securities respectively attributable to the interests of all Ordinary Shareholders or allottees of Ordinary Shares are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by or allotted to them; and

(ii) (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £255,485.70 being 5% of the Company's issued ordinary share capital on 8 July 2005,

and this authority shall expire on the earlier of 21 December 2006 and the conclusion of the Annual General Meeting of the Company to be held in 2006 (unless renewed on or before that date), save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired. This power shall apply in relation to a sale of shares which is an allotment of equity securities by virtue of Section

notice of annual general meeting

94(3A) of the Act as if in the first paragraph of this Resolution 13 the words "and subject to the passing of Resolution 12 above" and "pursuant to the authority granted by Resolution 12 above" had been omitted.

14 That the Company be and is hereby generally and unconditionally authorised to make a market purchase or market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of any of its own Ordinary Shares of 10p each at any time or times but so that:

(i) the maximum number of Ordinary Shares hereby authorised to be acquired is 2,544,857 being approximately 5% of the Company's issued share capital (excluding treasury shares) on 8 July 2005;

(ii) the minimum price under this authority (excluding expenses) which may be paid for any Ordinary Share shall be 10p being the nominal value of the Share;

(iii) the maximum price (excluding expenses) under this authority which may be paid for any Share may not be more

than 5% above the average of the middle market quotation for an Ordinary Share of 10p in the capital of the Company as derived from the Daily Official List of the London Stock Exchange plc for the last five business days in respect of which such Daily Official List is published immediately preceding the day on which the contract to purchase the Share is made;

(iv) this authority shall expire on the earlier of 21 December 2006 and the conclusion of the Annual General Meeting of the Company to be held in 2006; and

(v) the Company may before the expiry of this authority make a contract or contracts for such purchase or purchases which would or might be executed wholly or partly after such expiry.

By Order of the Board

J E Malin
Secretary
8 July 2005

Registered Office:
Harvard House
14-16 Thames Road
Barking, Essex IG11 0HX

notice of annual general meeting

Notes to the Notice of Annual General Meeting

(1) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, in order to be able to attend and vote at the Meeting or any adjourned meeting, (and also for the purposes of calculating how many votes a person may cast), a person must have his/her name entered on the Register of Members of the Company by 6.00 pm on 20 September 2005 (or, as the case may be, 6.00 pm on the date two days before any adjourned meeting).

Changes to entries on the Register of Members after this time shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

(2) Copies of the Directors' service contracts with the Company or any of its subsidiaries and the Register of Interests of the Directors of the Company will be available for inspection at the registered office of the Company during usual business hours (Saturdays, Sundays and public holidays excepted) and at the Meeting from 11.45 am until its conclusion.

(3) A member entitled to attend and vote at the Meeting may appoint a proxy or proxies to attend and, on a poll, to vote in his/her place. A proxy need not be a member of the Company. The completion and return of a proxy will not preclude members entitled to attend and vote at the Meeting (or at any adjournment(s) of the Meeting) from doing so in person if they so wish. To be valid, an appointment of proxy must be returned using one of the following methods:

- by sending the enclosed appointment of proxy (together, if appropriate, with the power of attorney or other written authority under which it is signed or an office copy or a certified copy of such power or authority) to the office of the Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with Note (4),

and in each case the appointment of proxy (together with any relevant power/authority) must be received (or, in the case of the appointment of a proxy through CREST, retrieved by enquiry to CREST in the manner prescribed by CREST) by the Company's Registrars not later than 48 hours before the time appointed for holding the Meeting (or, as the case may be, any adjourned meeting).

(4) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of the Meeting by using the

procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in Note (3) above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

