Company registration number: 01786682

WOODWARD FOODSERVICE LIMITED

Annual report and financial statements

For the year ended 31 December 2013

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Woodward Foodservice Limited

Annual report and financial statements for the year ended 31 December 2013

Contents

Directors' report

The directors submit their annual report and the audited financial statements for the year ended 31 December 2013.

Business review and principal activities
The Company is a limited company incorporated, domiciled and operating in the United Kingdom.

The Company ceased to trade on 31 December 2009 when the trade, assets, certain agreed liabilities and employees of the Company were transferred to its immediate parent company Brake Bros Limited.

The Company had previously entered into certain property lease agreements in Deeside and Birmingham and prior to the acquisition of the company in 2008 by Brake Bros Limited the remaining terms of these leases were assigned to W F Group Limited. The acquisition of the Company by Brake Bros Limited in 2008 excluded these leasehold properties. The Company has not used either property since 2008 and will not use them again.

The Company, however, agreed to guarantee the performance of the covenants in the leases and to indemnify the landlords against all losses arising from any default in performance. W F Group Limited went into liquidation on 20 April 2011 and the landlords subsequently served notice on the Company requiring the Company to pay the charges due from W F Group Limited.

The direct impact of the guarantee of these lease obligations meant that the Company recognised an onerous property lease provision at 31 December 2012 amounting to £8,889,000 (see note 7 to the financial statements for further details). On 27 March 2014 the Company reached a settlement agreement with the landlords and agreed to pay a total sum of £943,000 in full and final settlement of the lease obligations. The payment made on 1 April 2014 released the Company from all obligations arising from the breach of any covenants, indemnities and other liabilities under or in respect of the leases. For the year ended 31 December 2013 the remaining onerous lease provision has been reversed and the settlement amount recognised as a liability.

The results of the Company for the year are set out in the income statement on page 4. The results for the Company show a profit on ordinary activities before taxation of £6,250,000 (2012 loss: £2,158,000) for the year. The profit during the year has arisen after agreeing the settlement of the lease obligations with the landlords (see note 2 to the financial statements for further details).

At the year end the company had net current liabilities of £18,000 (2012: £6,268,000).

Dividends
No interim dividends (2012: £nil) have been paid and the directors do not recommend a final dividend (2012: £nil).

Directors
The directors of the Company who were in office during the year and up to the date of signing the financial statements are given below:
I R Goldsmith
A J Whitehead

Directors' third party indemnity provisions
A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the directors and the Company Secretary in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the Company maintained a directors' and officers' liability insurance policy throughout the financial year, and to the date of signing these financial statements.

Disclosure of information to auditors
So far as the directors are aware, there is no relevant audit information of which the auditors are unaware and the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Financial risk management:
The Company is part of the group's risk management programme that seeks to limit the adverse effects of financial risks on the Company. The Company's principal financial risks relate to liquidity risks.

The UK Group's Board of Directors have the responsibility for setting the risk management policies. The policies are implemented by the central treasury department that receives regular reports from the operating companies to enable prompt identification of financial risks so that the appropriate actions may be taken. The UK Group has a policy and procedures manual that sets out specific guidelines to manage foreign currency exchange risk, interest rate risk, credit risk, liquidity risk, and the use of the financial instruments to manage these.

(a) Foreign currency exchange risk
The Company is not exposed to foreign currency exchange risks.
(b) Interest rate risk
The Company has no interest bearing assets or liabilities.
(c) Credit risk
The Company has no third party credit risk.
(d) Liquidity risk
The Company's funding is only from amounts owed by the parent undertaking (see note 5 of the financial statements). The parent undertaking is not obligated to provide any additional funding.

Directors' report (continued)

Statement of directors' responsibilities
The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Company is therefore exempt from the requirement to prepare a Strategic Report.

Approved by the Board of Directors and signed on its behalf by:

A J Whitehead
Director
28 April 2014

Company registration number: 01786682

Registered office:
Enterprise House
Eureka Business Park
Ashford
Kent
TN25 4AG

Independent auditors' report to the members of Woodward Foodservice Limited

Report on the financial statements
Our opinion
In our opinion the financial statements, defined below:
- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited
The financial statements, which are prepared by Woodward Foodservice Limited, comprise:
- the statement of financial position as at 31 December 2013;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended: and
- the notes to the financial statements, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation comprises applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:
- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception
Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions
Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit
Our responsibilities and those of the directors
As explained more fully in the statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Simon Bailey (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 April 2014

Woodward Foodservice Limited
Annual report
For the year ended 31 December 2013

Income statement

For the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Revenue	2	-	-
Operating income / (costs)	2	6,302	(1,597)
Operating profit / (loss)	2	6,302	(1,597)
Analysed as:			
Operating loss before exceptional items	2	(87)	(72)
Exceptional items	2	6,389	(1,525)
Finance costs	3	(52)	(561)
Profit / (loss) on ordinary activities before taxation		6,250	(2,158)
Income tax	4	-	-
Profit / (loss) for the year attributable to owners of the Company		6,250	(2,158)

The Company has no recognised income and expenses other than those included in the income statement above and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 8 to 12 form an integral part of these financial statements.

Woodward Foodservice Limited

Annual report
For the year ended 31 December 2013

Statement of financial position

As at 31 December 2013

	Note	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Assets					
Current assets					
Trade and other receivables	5		955		2,639
Current liabilities					
Trade and other payables	6	(973)		(18)	
Provisions for other liabilities and charges	7	-		(8,889)	
			(973)		(8,907)
Net current liabilities			(18)		(6,268)
Equity					
Share capital	8		48,008		48,008
Share premium account			760		760
Capital reserve			37,260		37,260
Accumulated deficit	9		(86,046)		(92,296)
Total equity			(18)		(6,268)

The notes on pages 8 to 12 form an integral part of these financial statements.

These financial statements on pages 4 to 12 were approved by the Board of Directors on 28 April 2014 and were signed on its behalf by:

AJ Whitehead
Director

Company registration number: 01786682

Woodward Foodservice Limited
Annual report
For the year ended 31 December 2013

Statement of changes in equity

	Note	Share capital £'000	Share premium account £'000	Capital reserve £'000	Accumulated deficit £'000	Total equity £'000
At 1 January 2012	8,9	48,008	760	37,260	(90,138)	(4,110)
Loss for the year	9	-	-	-	(2,158)	(2,158)
At 1 January 2013	8,9	48,008	760	37,260	(92,296)	(6,268)
Profit for the year	9	-	-	-	6,250	6,250
At 31 December 2013	8,9	**48,008**	**760**	**37,260**	**(86,046)**	**(18)**

The notes on pages 8 to 12 form an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Cash flows from operating activities			
Cash generated from operations	10	-	11
Interest paid		-	(11)
Net cash flows from operating activities		-	-
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		-	-

The notes on pages 8 to 12 form an integral part of these financial statements.

Notes to the financial statements

1. Accounting policies

General information
These financial statements are the financial statements of Woodward Foodservice Limited ("the Company") for the year ended 31 December 2013. These financial statements were authorised for issue by the Board of Directors on 28 April 2014.

Significant accounting policies
The Company's principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
These financial statements have been prepared in accordance with IFRS, as adopted by the European Union, International Financial Reporting Interpretations Committee ('IFRIC') interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The Company ceased to trade on 31 December 2009 when the trade, assets, certain agreed liabilities and employees of the Company were transferred to its immediate parent company Brake Bros Limited.

The Company had previously entered into certain property lease agreements in Deeside and Birmingham and prior to the acquisition of the company in 2008 by Brake Bros Limited the remaining terms of these leases were assigned to W F Group Limited. The acquisition of the Company by Brake Bros Limited in 2008 excluded these leasehold properties. The Company has not used either property since 2008 and will not use them again.

The Company, however, agreed to guarantee the performance of the covenants in the leases and to indemnify the landlords against all losses arising from any default in performance. W F Group Limited went into liquidation on 20 April 2011 and the landlords subsequently served notice on the Company requiring the Company to pay the charges due from W F Group Limited.

The direct impact of the guarantee of these lease obligations meant that the Company recognised an onerous property lease provision at 31 December 2012 amounting to £8,889,000 (see note 7 to the financial statements for further details). On 27 March 2014 the Company reached a settlement agreement with the landlords and agreed to pay a total sum of £943,000 in full and final settlement of the lease obligations. The payment made on 1 April 2014 released the Company from all obligations arising from the breach of any covenants, indemnities and other liabilities under or in respect of the leases. For the year ended 31 December 2013 the remaining onerous lease provision has been reversed and the settlement amount recognised as a liability.

(a) New and amended standards adopted by the Company
The following standards have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2013:

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

IAS 19, 'Employee benefits', was amended in June 2011. There is no impact on the Company.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. There has been no impact for the Company as it does not prepare consolidated financial statements.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The standard has been adopted early in the preparation of these financial statements.

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. This amendment has had no impact for the Company with no offsetting of assets and liabilities.

(b) New standards and interpretations not yet adopted by the Company
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The amendment is not mandatory for the Company until 1 January 2014.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9 when completed.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. The Company is not currently subjected to significant levies so the impact on the Company is not material.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

1. Accounting policies (continued)

Going concern
At the year end, the Company had net liabilities amounting to £18,000 (2012: £6,268,000). Following the settlement agreement of the property lease obligations, the parent company has confirmed that it will not require repayment of amounts owed by the Company until such a time as the Company has sufficient funds to repay its liabilities as they fall due. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

In the prior year the financial statements were not prepared on a going concern basis because if the Company was either not able to agree settlements with the landlords or was unable to sub-let the properties the Company would have been unable to discharge its liabilities in the normal course of business and the directors would have had no option but to place the company into voluntary liquidation.

Exceptional items
Where items of income and expense included in the income statement are considered to be material and exceptional in nature, separate disclosure of their nature and amount is provided in the financial statements. These items are classified as exceptional items. The Company considers the size and nature of an item both individually and when aggregated with similar items, when considering whether it is material.

Financial assets
The Company classifies its financial assets into the following category: loans and receivables. The classification is based on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the date of the statement of financial position. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' in the statement of financial position.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 2 months overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate The carrying amount of the asset is reduced through the use of a trade receivables impairment account, and the amount of the loss is recognised in the income statement within direct purchase cost. When a trade receivable is uncollectable it is written off against the trade receivables impairment account. Subsequent recoveries of amounts previously written off are credited in the income statement.

Trade payables
Trade payables are non interest-bearing, are recognised initially at fair value and are subsequently measured at amortised cost.

Current and deferred income tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised. Deferred income tax is measured on an undiscounted basis.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the temporary differences can be utilised.

Provisions
Provisions are formed for legally enforceable or constructive obligations existing on the date of the statement of financial position, the settlement of which is likely to require outflow of resources and the extent of which can be reliably estimated. Where material to the financial statements, provisions are discounted over the life of their expected cash flows.

Leases
Leases in which a significant portion of the risks and rewards of ownership are transferred to the Company are classified as finance leases.

Assets acquired under finance leases are included in the statement of financial position as property, plant and equipment and are depreciated over the shorter of their useful lives and the lease term. The capital element of future rentals is treated as a liability. Rentals are apportioned between reductions of the respective liabilities and finance charges, which are dealt with under finance costs in the income statement.

Rentals paid under operating leases (those leases where a significant portion of the risks and rewards of ownership are retained by the lessor) are charged to the income statement on a straight line basis over the term of the lease.

Share capital
Where the Company issues shares or other financial instruments, these financial instruments are classified as a financial liability, financial asset or equity according to the substance of the contractual arrangement, or its component parts. Dividends or interest arising on such financial instruments are recognised according to the classification of the financial instrument.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank (being the cash book balance) and in hand.

2. Revenue and operating profit / (loss)

	2013 £'000	2012 £'000
Revenue	-	-
Direct purchase cost	-	-
Trading profit	-	-
Distribution and selling costs	-	-
Gross profit	-	-
Administrative expenses	(87)	(72)
Exceptional items (see note below)	6,389	(1,525)
Operating profit / (loss)	6,302	(1,597)

The Company has not traded since 31 December 2009.

Profit / (loss) on ordinary activities before taxation is arrived at after charging:	2013 £'000	2012 £'000
Legal fees	82	62
Auditors' remuneration - statutory audit services	5	10

Exceptional items
Exceptional items are in respect of onerous provisions on property leases.

The Company had previously entered into certain property lease agreements in Deeside and in Birmingham and prior to the acquisition of the company by Brake Bros Limited on 26 September 2008 the remaining terms of the leases were assigned to W F Group Limited. The Company no longer uses either property and will not use them again.

The Company, however, agreed to guarantee the performance of the covenants in the leases and to indemnify the landlords against all losses arising from any default in performance. W F Group Limited went into liquidation on 20 April 2011 and during 2011 the landlords subsequently served notice on the Company requiring the company to pay the charges due from W F Group Limited.

On 27 March 2014 the Company reached an agreement to settle these obligations for £943,000, as a result of this agreement the remaining onerous lease provision of £6,389,000 has been reversed and the actual settlement amount recognised as an accrual.

3. Finance costs

	2013 £'000	2012 £'000
Finance costs:		
Unwinding of discount (see note 7)	52	550
Interest on property lease obligations	-	11
Finance costs	52	561

4. Income tax

	2013 £'000	2012 £'000
Income tax	-	-

A reconciliation of the income tax for the year compared to the effective standard rate of corporation tax is summarised below:

	2013 £'000	2012 £'000
Profit / (loss) on ordinary activities before tax	6,250	(2,158)
At 23.25% (2012: 24.5%)	1,453	(529)
Effects of:		
Utilisation of previously unrecognised tax losses	(1,453)	-
Tax losses for which no deferred income tax asset was recognised	-	529
Tax credit	-	-

5. Trade and other receivables

	As at 31 December 2013 £'000	As at 31 December 2012 £'000
Amounts owed by parent undertaking	955	2,639

As of 31 December 2013, amounts owed by the parent undertaking of £955,000 (2012: £2,639,000) were fully performing.

The book value of trade and other receivables with a maturity of less than one year are assumed to approximate to fair value.

6. Trade and other payables

	As at 31 December 2013 £'000	As at 31 December 2012 £'000
Accruals	973	18
	973	18

7. Provisions for other liabilities and charges

Property lease obligations	2013 £'000	2012 £'000
At 1 January	8,889	7,701
Amounts utilised during the year	(1,609)	(887)
Reclassification to accruals	(943)	-
(Credited) / charged to the income statement during the year:		
Additional property lease provisions	-	1,525
Unwinding of discount	52	550
Unused amounts reversed	(6,389)	-
At 31 December	-	8,889
Non-current	-	-
Current	-	8,889
	-	8,889

The provisions for property lease obligations are in respect of certain leasehold properties for which the Company had agreed to guarantee the performance of the covenants in the leases and to indemnify the landlords against all losses arising from any default in performance. During 2011 the landlords served notice on the Company requiring the Company to pay the charges due from previous tenants (see 'exceptional items' note in note 2 to the financial statements for further details). The provisions include rent, rates, insurance, repairs and maintenance and dilapidation to the end of the lease terms. The provisions have been discounted over the lives of their expected cash flows.

On 27 March 2014 a settlement agreement was reached in relation to the property lease obligations and the remaining onerous lease provision has therefore been reversed and credited to exceptional items.

8. Share capital

Authorised	2013 Number	2012 Number
Ordinary shares of £1 each: 48,008,000 (2012: 48,008,000)	48,008,000	48,008,000

Allotted, called up and fully paid	2013 £'000	2012 £'000
Ordinary shares of £1 each: 48,008,000 (2012: 48,008,000)	48,008	48,008

9. Accumulated deficit

	2013 £'000	2012 £'000
At 1 January	(92,296)	(90,138)
Profit / (loss) for the year	6,250	(2,158)
At 31 December	(86,046)	(92,296)

10. Cash generated from operations

Reconciliation of profit / (loss) before taxation to cash generated from operations

	2013 £'000	2012 £'000
Profit / (loss) before taxation	6,250	(2,158)
Adjustments for:		
Finance costs	52	561
(Decrease) / increase in provisions for other liabilities and obligations	(7,332)	1,525
Property lease obligations paid	(1,609)	(887)
Increase in trade and other payables	955	9
Decrease in amounts owed by parent undertaking	1,684	961
Cash generated from operations	-	11

11. Employee and directors' emoluments

No emoluments were payable to the directors in respect of services to the Company and the Company did not have any employees during the current financial year or preceding financial year.

12. Commitments

Operating lease commitments
The total of future minimum lease payments in respect of non-cancellable operating leases are as follows:

	2013 Land and buildings £'000	2012 Land and buildings £'000
At 31 December		
Within one year	-	1,534
Between two and five years	-	3,601
After five years	-	4,444
	-	9,579

13. Related party transactions

During the year the Company has not entered into any transactions with other companies in the Cucina (BC) Luxco S.à.r.l. group, which require disclosure under IAS24.

The cost of the annual return fee was borne by a fellow subsidiary company without any right of reimbursement.

	2013 £'000	2012 £'000
Amounts owed by parent undertaking	955	2,639

None of the balances are secured.

14. Ultimate parent company and controlling party

The immediate parent undertaking and controlling party is Brake Bros Limited a company incorporated in Great Britain.

The ultimate parent undertaking is Cucina (BC) Luxco S.à.r.l., a private limited company registered in Luxembourg. The ultimate controlling party of the Company is Bain Capital Fund IX E LP and Bain Capital Fund VIII E LP, both are exempted limited partnerships registered in the Cayman Islands, which are indirectly controlled by Bain Capital Investors LLC, a Delaware limited liability company.

The parent undertaking of the smallest group to consolidate these financial statements is Brake Bros Limited and the parent undertaking of the largest UK group to consolidate these financial statements is Cucina Lux Investments Limited. Copies of Brake Bros Limited and Cucina Lux Investments Limited consolidated financial statements can be obtained from the Company Secretary at Enterprise House, Eureka Business Park, Ashford, Kent, TN25 4AG.

15. Post balance sheet events

On 27 March 2014 the Company reached a settlement agreement with the landlords and agreed to pay £943,000 in full and final settlement of the property lease obligations. This has been reflected in the financial statements.