

Company registration number: 02035315

Brake Bros Limited

Annual report and financial statements

For the year ended 31 December 2014

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Brake Bros Limited

Annual report and financial statements for the year ended 31 December 2014

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Brake Bros Limited

Annual report and financial statements

For the year ended 31 December 2014

Strategic report

The directors present their strategic report for Brake Bros Limited ("Brakes") for the financial year ended 31 December 2014. This report analyses the performance and explains other aspects of the Group's results and operations, including strategy and risk management.

Review of the business

The principal activity of the Group is the specialist supply of frozen, chilled and ambient foods as well as catering supplies and equipment to the catering industry. The principal trading companies in the Group are Brake Bros Limited, Brake Bros Foodservice Limited, M&J Seafood Limited, Wild Harvest Limited, O'Kane Food Service Limited, Freshfayre Limited, Brake Bros Foodservice Ireland Limited, Brake France Service SAS and Menigo Foodservice AB.

Brakes Group is a leading European foodservice provider, operating in the UK, France, Sweden and Ireland. With over 10,000 colleagues working for the Group the business has now successfully delivered the third year of its five year plan and is on track to build on this momentum.

2014 Key successes

1. Driving foodservice trends: As a company setting foodservice trends, 2014 saw Brakes working with suppliers and customers to innovate with new products and menu concepts to meet customers' needs. Brakes has quickly turned ideas into reality, focusing on the right choice and quality of products at the best value, with something in its range for all of its customers.

Within a range in the UK of over 20,000 products, of which 4,000 are Brakes own-label, many have been especially formulated to meet customers' particular needs. In 2014, Brakes introduced over 400 new products to the range and re-developed a further 365 products.

In the spring, Brakes engaged over 30 suppliers to collaborate on new ideas for delivering growth together. There was a specific focus on catering supplies and equipment and a joint customer and supplier event in Scotland saw 10 new locally sourced products being introduced to the Brakes List.

During 2014, Brakes has also step-changed its purchasing scale, expertise and insight with buyers working together across six different European markets through new buying partnerships.

2. Unlocking future growth in fresh food: In November 2014, the Group announced its intention, to enter into a joint venture with Fresh Direct, to create a new fresh food company, known as "Fresh Direct". M&J Seafood, Pauleys and Wild Harvest will become part of this new entity. David Burns, the Managing Director of Fresh Direct, will become CEO of the combined business. Competition Market Authority clearance was received in February 2015 and the deal for the joint venture completed on 23 February 2015.

Almost one third of Brakes' sales currently come from fresh and chilled food. This joint venture will create an even broader fresh food offer with capability to deliver fresh products six or seven days per week, from dedicated local fresh depots. This new company will have the capability to give Brake's customers the additional choice of a daily fresh delivery service from a network of regional specialist depots that meets their specific needs.

3. Nutrition, food safety and food provenance: Brakes is a company of food specialists and, last year, continued to deliver what its customers needed. Brakes is fully committed to product authenticity and integrity. For example, in delivering its environmental sustainability agenda:

- Brakes introduced a new line in dolphin-friendly, pouch-packed tuna fish, so that customers benefit from knowing how much product is actually in the pack and there is also less food waste and drain mess than the traditional tin;
- Brakes improved its own-label food packaging to enhance customers' buying experience, which included successfully removing nearly 120 tonnes of packaging;
- Brakes reduced electricity consumption by over 8 percent against an industry recommended target of just under 6 percent;
- By the end of 2014, Brakes achieved the target of 97 percent of waste being diverted from landfill;
- The UK group secured a further three years certification to ISO 14001, an international standard for measuring and further improving environmental impact; and
- In France, Brakes further enhanced its commitment to responsible sourcing, introducing new product lines, including Bleu Blanc Coeur products, which are high in nutritional and environmental value, and also a French artisan fish product range.

4. Outstanding customer experience supported by investment in people, processes and technology: Brakes provided a high standard of business partnering to its customers in 2014, demonstrating a genuine understanding and appreciation of the realities of running a business with foodservice requirements, whether it be pubs, restaurants, hotels, hospitals, schools, care homes or leisure facilities.

The Group successfully introduced IT system upgrades, opened two brand new purpose-built depots in Warrington and Newhouse, Scotland and began the roll-out of the new multi-temperature network in the UK.

In addition, with customers demanding a multi-channel offering, they confirmed Brakes is doing the right thing; by the end of Q1, nearly 80 percent of customers buying on-line said Brakes' eCommerce offering was meeting their requirements and that it was quick and easy and that they would recommend it. The roll-out of eCommerce to smaller independent customers has gone well with over 20% already registered to use the service.

Brakes people have also benefited from a continued investment in a wide range of bespoke training programmes being rolled out across the Group's workforce.

5. External recognition of success: Brakes' ongoing progress was recognised in a number of ways last year, including winning highly esteemed industry-wide awards. The Federation of Wholesale Distributors named Brakes "Best Delivered Wholesaler" and "Best Telesales Colleagues in Wholesale" at the annual HIM! Awards. These accolades have even more gravitas as 7,400 caterers and independent retailers were interviewed as part of the selection process. The British Frozen Food Federation awarded Brakes a Gold and two Bronzes at its Catering Awards and the Marine Stewardship Council named M&J Seafood Fish Supplier of the Year.

Summary of results

The results for the Group for the year are set out in the consolidated income statement on page 6.

Brakes Group delivered a strong performance in 2014, growing its sales by 2.5 percent and its operating profit (before exceptional items) by 10.5%.

The results for the Group show a pre-tax profit of £75.4m (2013: £126.2m) for the year and revenue of £3,094.2m (2013: £3,020.1m). The results for the year are after charging exceptional items of £38.3m (2013: £19.8m) referred to in note 2 of these financial statements.

Operational summary and outlook

Having successfully delivered the third year of its five year plan, Brakes is on track to be a world class foodservice company that is leading the industry's development. Brakes' passion for its customers and focusing on meeting its customers' needs is substantiated by its ongoing programme of investment in its people, infrastructure and distribution networks, which will both simplify the business and enhance the outstanding experience it offers. Brakes is further strengthening its foundations to build on its market leadership position.

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Strategic report (continued)

Principal risks and uncertainties, development and performance

The directors of the largest UK parent undertaking, Cucina Lux Investments Limited, manage its Group's risks and performance through its immediate subsidiary company Cucina Investments (UK) 3 Limited. For this reason a discussion of the Group's risks, together with an analysis using key performance indicators has not been included by the Company's directors.

The principal risks and uncertainties, together with the development, performance and position, and an analysis using key performance indicators of the Cucina Lux Investments Limited Group, which include those of the Company and the Group, are discussed in the strategic report of Cucina Lux Investments Limited's annual report, which does not form part of this report. Details of how to obtain these financial statements can be found in note 26 to the financial statements.

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



P Wieland
Director
26 March 2015

Brake Bros Limited

Annual report and financial statements

For the year ended 31 December 2014

Directors' report

The directors submit their annual report and the audited consolidated and parent company financial statements for the year ended 31 December 2014.

General Information

Brake Bros Limited is a limited company incorporated in England and Wales and domiciled and operating in the United Kingdom.

The immediate parent undertaking and controlling party is Brake Bros Acquisition Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Cucina (BC) Luxco S.à r.l. ("Cucina"), a private limited company registered in Luxembourg. The ultimate controlling parties of the Company are 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.

Future outlook and going concern

The Company and certain subsidiary undertakings are obligors of the wider group's financing arrangements, which extend to senior debt held by an intermediate parent company, Cucina Acquisition (UK) Limited, as such, the going concern of the Company and its subsidiaries is dependent upon the overall going concern of the wider Cucina Group. In assessing whether the financial statements for the Group and Company should be prepared on the going concern basis, the directors have considered the future outlook of the Company and of the Group on a combined basis. A fuller analysis of this outlook and the basis for this assessment is set out in the financial statements of the largest UK parent company, Cucina Lux Investments Limited. Having considered the future operating profits, cash flows and facilities available to the wider Cucina Group, the directors are satisfied that the Group will have sufficient funds to repay its liabilities as they fall due. Consequently, the financial statements of the Group and the Company are prepared on the going concern basis. Details of how to obtain these financial statements can be found in note 26 to the financial statements.

Dividends

No interim dividends have been paid (2013: £nil) and the directors do not recommend a final dividend (2013: £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
S P Smith
D C Lennard
P Wieland
P McIntyre
K McMeikan

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 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 approval of these financial statements.

Employment report

The Group aims to keep employees aware of all material factors affecting them as employees and the performance of the Group and their respective businesses. It encourages good communication through regular meetings between management and staff, enabling senior managers to consult and ascertain employees' views on all appropriate matters. This is supplemented by regular briefings, intranet and e-mail bulletins and divisional newsletters. Employees are encouraged to participate in the performance of the Group by way of bonus schemes.

The Group employs over 10,000 people. We provide extensive training and career development programmes. It is our policy to achieve and maintain a high standard of health and safety at work and to ensure everyone, regardless of race, religion or sex, and including disabled people where reasonable and practicable, is treated in the same way as regards applications for employment, training, career development and promotion. Every effort is made to help with the rehabilitation of anyone injured during their employment, and to provide support we have an Employee Care Programme.

Health and safety

As a business the Group is strongly committed to providing a safe and responsible place to work. Concern for the wellbeing of our staff is a key element in our drive to be "a great place to work" and we demonstrate this commitment through ongoing training and education of all our employees; working closely with our insurance providers and equipment suppliers to ensure sharing of best practice and leading edge health and safety solutions.

Donations

No donations were made to any political party (2013: £nil).

Financial risk management

The Group has operations in the UK, the Republic of Ireland and Continental Europe and has debt financing which exposes it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, interest rates, credit risks and liquidity risk.

The Group's Treasury Committee co-ordinates the overall application of the risk management policies in relation to treasury, with the board of directors having overall responsibility for setting the risk management policies applied by the Group. The Treasury Committee and the central group treasury department receive regular reports from the operating companies to enable prompt identification of financial risks so that the appropriate actions may be taken, and policies implemented. The Group has a policy and procedures manual that sets out specific guidelines to manage foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of excess liquidity. Further information on these is also given in note 16 of these financial statements.

(a) Foreign currency exchange risk

The Group has operations in the UK, the Republic of Ireland, France and Sweden. The Group is exposed to foreign exchange risks primarily with respect to the Euro and the Swedish Krona. The Group Treasury department manages this risk mainly through the use of foreign currency borrowings in the wider Cucina Group to hedge the foreign currency investment.

(b) Interest rate risk

The Group has both interest bearing assets and interest bearing liabilities. The Group's interest rate risk primarily arises from floating interest rate long term borrowings. Interest rate risk is not considered material for the Group.

(c) Credit risk

The Group has no significant concentrations of credit risk. The Group has implemented policies that require appropriate credit checks on potential customers before sales commence.

(d) Liquidity risk

The Group actively maintains a mixture of long-term and short-term facilities, including amounts funded from parent undertakings that are designed to ensure the Group has sufficient available funds for operations and planned expansions.

Independent auditors

During the year PricewaterhouseCoopers LLP resigned as auditor and Deloitte LLP were appointed as the new auditor. Deloitte LLP shall remain in office until the Company or Deloitte LLP otherwise determine.

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the auditor is 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 auditor is aware of that information.

Brake Bros Limited
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For the year ended 31 December 2014

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 group and parent company 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 Group and the Company and of the profit or loss of the Group 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 statements; and
- prepare the group financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other

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



P Wieland
Director
26 March 2015

Company registration number: 02035315

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

Brake Bros Limited
Annual report and financial statements
For the year ended 31 December 2014

Independent auditor's report to the members of Brake Bros Limited

We have audited the group and parent company financial statements of Brake Bros Limited for the year ended 31 December 2014 which comprise the consolidated income statement, the consolidated and company statements of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows, and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent 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 annual report 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Emma Cox BA ACA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
26 March 2015

Brake Bros Limited
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Consolidated income statement

For the year ended 31 December 2014

	Note	2014 £m	2013 £m
Continuing operations			
Revenue	2	3,094.2	3,020.1
Operating costs		(3,029.1)	(2,946.3)
Operating profit	2	65.1	73.8
Operating profit before exceptional items		103.4	93.6
Exceptional items	2	(38.3)	(19.8)
Finance costs	3	(10.4)	(10.1)
Finance income	3	20.7	62.5
Finance income - net		10.3	52.4
Profit on ordinary activities before taxation		75.4	126.2
Income tax charge	4	(11.9)	(24.6)
Profit for the year after taxation		63.5	101.6
Profit attributable to owners of the company:			
Owners of the parent company	21	61.6	99.8
Non-controlling interest		1.9	1.8
		63.5	101.6

The notes on pages 14 to 39 form an integral part of these financial statements.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the parent company income statement. The profit for the parent company for the year was £35.1m (2013: £82.8m).

Brake Bros Limited
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For the year ended 31 December 2014

Consolidated and company statements of comprehensive income

For the year ended 31 December 2014

	Note	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Profit for the year		63.5	101.6	35.1	82.8
Other comprehensive (expense) / income:					
<i>Items that will not be reclassified to profit or loss</i>					
Actuarial (losses) / gains on defined benefit pension scheme	17	(14.0)	9.2	(12.0)	9.7
Taxation on items taken directly to other comprehensive income	4	2.7	(2.8)	2.3	(3.0)
Total items that will not be reclassified to profit or loss		(11.3)	6.4	(9.7)	6.7
<i>Items that may be reclassified to profit or loss</i>					
Cash flow hedges	21	(2.4)	-	(2.4)	-
Taxation on cash flow hedges	21	0.5	-	0.5	-
Currency translation differences	21	(4.7)	2.4	-	-
Total items that may be reclassified to profit or loss		(6.6)	2.4	(1.9)	-
Other comprehensive (expense) / income for the year, net of tax		(17.9)	8.8	(11.6)	6.7
Total comprehensive income for the year		45.6	110.4	23.5	89.5
Attributable to:					
Owners of the parent company		44.7	108.6	23.5	89.5
Non-controlling interest		0.9	1.8	-	-
Total comprehensive income for the year		45.6	110.4	23.5	89.5

The notes on pages 14 to 39 form an integral part of these financial statements.

Brake Bros Limited
Annual report and financial statements
For the year ended 31 December 2014

Consolidated statement of financial position

At 31 December 2014

	Note	2014 £m	2013 £m
Assets			
Non-current assets			
Goodwill	6	151.1	153.8
Intangible assets	7	42.1	38.6
Property, plant and equipment	8	208.9	194.6
Deferred tax assets	19	32.8	27.4
		434.9	414.4
Current assets			
Inventories	10	124.1	122.0
Trade and other receivables	11	827.6	760.2
Cash and cash equivalents	12	117.7	134.0
		1,069.4	1,016.2
Liabilities			
Current liabilities			
Financial liabilities - borrowings	15	(21.1)	(25.0)
Financial liabilities - derivative financial instruments	16 (c)	(2.4)	-
Trade and other payables	13	(574.4)	(559.4)
Current income tax liabilities	14	(0.1)	(0.3)
Provisions for other liabilities and charges	18	(1.2)	(1.1)
		(599.2)	(585.8)
Net current assets		470.2	430.4
Non-current liabilities			
Financial liabilities - borrowings	15	(168.2)	(173.6)
Retirement benefit obligations	17	(61.4)	(50.3)
Provisions for other liabilities and charges	18	(21.1)	(12.1)
		(250.7)	(236.0)
Net assets		654.4	608.8
Equity			
Share capital	20	5.4	5.4
Share premium		30.8	30.8
Other reserves	21	(7.8)	(1.2)
Retained earnings	21	630.4	579.1
Equity attributable to owners of the parent company		658.8	614.1
Non-controlling interests		(4.4)	(5.3)
Total equity		654.4	608.8

The notes on pages 14 to 39 form an integral part of these financial statements.

The financial statements on pages 6 to 39 were approved by the Board of Directors on **26** March 2015 and were signed on its behalf by:



P Wieland
Director

Brake Bros Limited

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Company statement of financial position

At 31 December 2014

	Note	2014 £m	2013 £m
Assets			
Non-current assets			
Goodwill	6	28.2	28.2
Intangible assets	7	31.8	27.9
Property, plant and equipment	8	141.5	123.0
Deferred tax assets	19	28.5	23.7
Investments in subsidiaries	9	188.1	188.1
		418.1	390.9
Current assets			
Inventories	10	72.7	65.8
Trade and other receivables	11	650.5	583.9
Cash and cash equivalents	12	67.6	90.9
		790.8	740.6
Liabilities			
Current liabilities			
Financial liabilities - borrowings	15	(15.2)	(17.8)
Financial liabilities - derivative financial instruments	16 (c)	(2.4)	
Trade and other payables	13	(572.2)	(541.5)
Provisions for other liabilities and charges	18	(1.2)	(1.1)
		(591.0)	(560.4)
Net current assets		199.8	180.2
Non-current liabilities			
Financial liabilities - borrowings	15	(14.1)	(11.2)
Retirement benefit obligations	17	(35.0)	(23.8)
Provisions for other liabilities and charges	18	(18.1)	(8.9)
		(67.2)	(43.9)
Net assets		550.7	527.2
Equity			
Share capital	20	5.4	5.4
Share premium		30.8	30.8
Other reserves	21	8.8	10.7
Retained earnings	21	505.7	480.3
Total equity		550.7	527.2

The notes on pages 14 to 39 form an integral part of these financial statements.

The financial statements on pages 6 to 39 were approved by the Board of Directors on 26 March 2015 and were signed on its behalf by:



P Wieland
Director

Company registration number: 02035315

Brake Bros Limited
Annual report and financial statements
For the year ended 31 December 2014

Consolidated statement of changes in equity

		Attributable to owners of the parent company					
	Note	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m
Balance at 1 January 2013		5.4	30.8	(3.6)	472.9	505.5	(7.1)
Comprehensive income							
Profit for the year		-	-	-	99.8	99.8	1.8
Other comprehensive income / (expense)							
Currency translation differences	21	-	-	2.4	-	2.4	-
Actuarial gains on defined benefit pension scheme	17	-	-	-	9.2	9.2	-
Taxation on items taken directly to other comprehensive income	19	-	-	-	(2.8)	(2.8)	-
Total other comprehensive income		-	-	2.4	6.4	8.8	-
Total comprehensive income		-	-	2.4	106.2	108.6	1.8
Balance at 1 January 2014		5.4	30.8	(1.2)	579.1	614.1	(5.3)
Comprehensive income							
Profit for the year		-	-	-	61.6	61.6	1.9
Other comprehensive (expense) / income							
Currency translation differences	21	-	-	(4.7)	-	(4.7)	-
Cash flow hedges		-	-	(2.4)	-	(2.4)	-
Taxation on cash flow hedges		-	-	0.5	-	0.5	-
Actuarial losses on defined benefit pension scheme	17	-	-	-	(13.0)	(13.0)	(1.0)
Taxation on items taken directly to other comprehensive income	19	-	-	-	2.7	2.7	-
Total other comprehensive expense		-	-	(6.6)	(10.3)	(16.9)	(1.0)
Total comprehensive (expense) / income		-	-	(6.6)	51.3	44.7	0.9
Balance at 31 December 2014		5.4	30.8	(7.8)	630.4	658.8	(4.4)

The notes on pages 14 to 39 form an integral part of these financial statements.

Brake Bros Limited
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Company statement of changes in equity

	Note	Attributable to owners of the parent company				Total equity £m
		Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	
Balance at 1 January 2013		5.4	30.8	10.7	390.8	437.7
Comprehensive income						
Profit for the year		-	-	-	82.8	82.8
Other comprehensive income / (expense)						
Actuarial gains on defined benefit pension scheme	17	-	-	-	9.7	9.7
Taxation on items taken directly to other comprehensive income	19	-	-	-	(3.0)	(3.0)
Total other comprehensive income		-	-	-	6.7	6.7
Total comprehensive income		-	-	-	89.5	89.5
Balance at 1 January 2014		5.4	30.8	10.7	480.3	527.2
Comprehensive income						
Profit for the year		-	-	-	35.1	35.1
Other comprehensive income / (expense)						
Cash flow hedges		-	-	(2.4)	-	(2.4)
Taxation on cash flow hedges		-	-	0.5	-	0.5
Actuarial losses on defined benefit pension scheme	17	-	-	-	(12.0)	(12.0)
Taxation on items taken directly to other comprehensive income	19	-	-	-	2.3	2.3
Total other comprehensive expense		-	-	(1.9)	(9.7)	(11.6)
Total comprehensive (expense) / income		-	-	(1.9)	25.4	23.5
Balance at 31 December 2014		5.4	30.8	8.8	505.7	550.7

The notes on pages 14 to 39 form an integral part of these financial statements.

Brake Bros Limited
Annual report and financial statements
For the year ended 31 December 2014

Consolidated statement of cash flows

For the year ended 31 December 2014

	Note	2014 £m	2013 £m
Cash flows from operating activities			
Cash generated from operations	22	123.9	114.7
Analysed as:			
Cash generated from operations before exceptional items		153.2	133.0
Exceptional items		(29.3)	(18.3)
Interest paid		(7.6)	(7.3)
Income tax paid		(4.5)	(5.5)
Net cash generated from operating activities		111.8	101.9
Cash flows from investing activities			
Purchase of property, plant and equipment		(43.0)	(36.7)
Purchase of intangible assets		(15.7)	(17.4)
Sale of property, plant and equipment		4.5	4.9
Interest received		0.6	0.7
Net cash used in investing activities		(53.6)	(48.5)
Cash flows used in financing activities			
Payments to parent undertakings		(52.5)	(67.5)
Loan repayments to parent undertakings		-	(4.9)
Loans to parent undertakings		(0.4)	(0.2)
Proceeds from borrowings		22.6	-
Repayment of external borrowings		(26.4)	(1.4)
Finance lease capital repayments		(13.3)	(14.2)
Net cash used in financing activities		(70.0)	(88.2)
Net decrease in cash and cash equivalents		(11.8)	(34.8)
Cash and cash equivalents at 1 January	12	134.0	168.4
Effects of exchange rate changes		(4.5)	0.4
Cash and cash equivalents at 31 December	12	117.7	134.0

The notes on pages 14 to 39 form an integral part of these financial statements.

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Company statement of cash flows

For the year ended 31 December 2014

	Note	2014 £m	2013 £m
Cash flows from operating activities			
Cash generated from operations	22	65.0	105.5
Analysed as:			
Cash generated from operations before exceptional items		94.0	122.0
Exceptional items		(29.0)	(16.5)
Interest paid		(1.9)	(2.8)
Net cash generated from operating activities		63.1	102.7
Cash flows from investing activities			
Purchase of property, plant and equipment		(32.7)	(24.5)
Purchase of intangible assets		(12.7)	(15.1)
Sale of property, plant and equipment and intangible assets		3.4	3.7
Interest received		0.1	0.1
Net cash used in investing activities		(41.9)	(35.8)
Cash flows from financing activities			
Payments to parent undertakings		(52.6)	(66.0)
Payments (to) / from group undertaking		15.7	(25.9)
Loan repayments to parent undertakings		-	(4.9)
Loans to parent undertakings		(0.3)	(0.2)
Loans payments from / (to) group undertakings		-	3.9
Finance lease capital repayments		(7.3)	(7.8)
Net cash used in financing activities		(44.5)	(100.9)
Net decrease in cash and cash equivalents	12	(23.3)	(34.0)
Cash and cash equivalents at 1 January		90.9	124.9
Cash and cash equivalents at 31 December	12	67.6	90.9

The notes on pages 14 to 39 form an integral part of these financial statements.

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Notes to the financial statements

1. Accounting policies

Significant accounting policies

The Group's principal accounting policies adopted in the preparation of these consolidated 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 are the consolidated financial statements of Brake Bros Limited ("the Group") and the parent company financial statements of Brake Bros Limited ("the Company") for the year ended 31 December 2014. These group consolidated and company financial statements were authorised for issue by the Board of Directors on 26 March 2015.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below within critical accounting estimates and assumptions.

The Company and certain subsidiary undertakings are obligors of the wider group's financing arrangements, which extend to debt held by an intermediate parent company, Cucina Acquisition (UK) Limited, as such, the going concern of the Company and its subsidiaries is dependent upon the overall going concern of the wider Cucina Group. In assessing whether the financial statements for the Company should be prepared on the going concern basis, the directors have therefore considered the future outlook of the Company and of the Group on a combined basis and have sought assurances from the largest UK parent company, Cucina Lux Investments Limited. A fuller analysis of this outlook and the basis for this assessment is set out in the financial statements of the largest UK parent company, Cucina Lux Investments Limited. Having considered the future operating profits, cash flows and facilities available to the wider Cucina Group, the Directors are satisfied that the Group will have sufficient funds to repay its liabilities as they fall due. On this basis the Directors consider it appropriate to prepare the financial statements on the going concern basis.

Adoption of new and revised Standards

The following revised Standard has been adopted in the current year. The adoption has not had any significant impact on the amounts reported in these financial statements:

- Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet

- IFRS 9	Financial Instruments
- IFRS 15	Revenue
- IAS 16 (amendments)	Property, Plant and Equipment
- IAS 27 (amendments)	Investment Entities
- IAS 38 (amendments)	Intangible Assets
- IAS 39 (amendments)	Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC Interpretation 21	Leases
- Various amendments resulting from Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle	
- Various amendments resulting from 2014 Annual Improvements to IFRSs	

Except as follows, the directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Group in future periods:

- IFRS 9, which will impact both the measurement and disclosures of Financial Instruments;
- IFRS 15, in respect of which it is not practicable to provide a reasonable estimate of the effect of this standard until a detailed review has been completed.

Basis of consolidation

(a) Subsidiaries

These consolidated financial statements consolidate the financial statements of the Company and all its subsidiary undertakings. Subsidiaries include special purpose entities where the substance of the relationship between the Group and the special purpose entity indicates that it is controlled by the Group. Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any assets or liability arising from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

For transactions with entities under common control the available exemption from IFRS 3 'Business Combinations' is taken and the predecessor method of accounting is used. The identifiable assets and liabilities are measured at their pre-combination carrying value including any previously consolidated goodwill, any differences on consolidation (ie. between the cost of investment and the carrying value of the net assets) are recognised in equity in retained earnings. The Group recognises the results of the acquired entity from the date on which the business combination between entities under common control occurred.

Uniform accounting policies are adopted across the Group. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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Notes to the financial statements

1. Accounting policies (continued)

Basis of consolidation (continued)

(b) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest in the associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement.

If the ownership in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement where appropriate.

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of products and services, including ancillary revenues, net of value added tax, rebates and discounts and after eliminating sales within the Group.

Revenue is recognised when the Group has delivered the products or service, has transferred to the buyer the significant risks and rewards of ownership and when it is considered probable that the related receivable is collectable. Rebates and discounts are recognised when the Group has delivered the products and services and when it is considered probable that the obligation is receivable or payable, respectively.

Buying income

Buying income is received from suppliers as a discount against the cost of products and services purchased. Discounts can take the form of banded overrides earned on purchase levels, marketing income, or product specific rebates. The credit is recognised in the income statement either against direct purchase cost or other costs and inventory is revalued to reflect the lower value after discount. Buying income is invoiced to or credited from suppliers throughout the year, and at the year end any remaining receivable is recorded in line with supplier arrangement terms and management estimates based on confirmations from suppliers and contracts.

Exceptional items

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

Property, plant and equipment

Property, plant and equipment is shown at historical cost less subsequent depreciation and impairment.

Cost represents invoiced cost plus any other costs that are directly attributable to the acquisition of the item. The Group capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group charges borrowing costs to the consolidated income statement for non-qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

No depreciation is provided on freehold land.

Depreciation is provided on all other property, plant and equipment to write down their cost or, where their useful economic lives have been revised, their carrying amount at the date of revision to their estimated residual values on a straight line basis over the periods of their estimated, or revised, remaining useful economic lives respectively. These lives are considered to be:

Freehold buildings	- between 17 and 40 years
Leasehold buildings	- the period of the lease or 40 years whichever is the shorter
Motor vehicles	- between 5 and 10 years
Plant and equipment	- between 3 and 40 years
Information technology hardware	- between 3 and 5 years

Asset lives and residual values are reviewed each financial year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profits and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the consolidated income statement.

Investments in subsidiaries

Investments in subsidiaries held as non-current assets are accounted for at cost less any provision for impairment in value. If the directors consider that the fair value of investments in subsidiaries are below their carrying value then a provision for impairment would be made.

Brake Bros Limited

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Notes to the financial statements

1. Accounting policies (continued)

Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is not subject to annual amortisation but is instead tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) Computer software

Acquired computer software licences are capitalised as an intangible asset on the basis of the costs incurred to acquire and bring into use the specific software. Directly attributable costs associated with the development of software that are expected to generate future economic benefits are capitalised as part of computer software.

Where software costs are capitalised they are amortised using the straight-line basis to write them down to their estimated realisable value over their estimated useful economic lives, which are considered to be between three and five years.

The residual value and useful economic life are reviewed, and adjusted if appropriate at each statement of financial position date.

(c) Customer contracts and relationships

Customer lists and customer contracts and relationships are acquired separately or as part of a business combination.

For those customer lists and customer contracts or relationships acquired separately, an intangible asset is recognised on the basis of the costs to acquire the customer lists and customer contracts and relationships together with any directly attributable costs of acquiring the asset.

For those customer lists and customer contracts and relationships acquired as part of a business combination, the fair value of the asset is recognised at the date of the acquisition, in accordance with IFRS 3 (revised).

Customer lists and customer contracts and relationships are amortised on a straight line basis over their expected useful economic lives, which are considered to be between 3 and 5 years. These are assumed to have no residual value at the end of their expected useful economic life.

(d) Brands

Brands are acquired separately or as part of a business combination. For those brands acquired separately, an intangible asset is recognised on the basis of the costs to acquire the brands together with any directly attributable costs of acquiring the asset. For those brands acquired as part of a business combination, the fair value of the asset is recognised at the date of the acquisition, in accordance with IFRS 3 (revised).

Brands are amortised on a straight line basis over their expected useful economic lives, which are considered to be 25 years. These are assumed to have no residual value at the end of their expected useful economic life.

Asset lives and residual values are reviewed during each financial year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Impairment of non-financial assets

Assets that have an indefinite useful economic life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Inventories

Inventories are stated at the lower of cost and net realisable value. Provision is made for obsolete and slow-moving items. Cost comprises direct purchase costs and overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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 Group 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 consolidated 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 consolidated income statement.

Trade receivables - factored

Where the Company has sold without recourse trade receivables to other group companies and no longer bears the risk or rewards of these amounts, the trade receivable balance is derecognised on the related sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank (being the cash book balance) and in hand, short-term deposits and other short-term highly liquid investments with original maturities of three months or less held for the purpose of meeting short-term cash commitments. Bank overdrafts are presented in current liabilities to the extent that there is no right of offset with cash balances.

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 substantively 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.

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Notes to the financial statements

1. Accounting policies (continued)

Employee benefits

Retirement benefit obligations

The Group has both defined benefit and defined contribution pension plans.

Defined benefit pension plans

In the UK the Group operates a defined benefit funded pension scheme covering a number of its employees. The scheme is a contracted out defined benefit scheme, providing final salary related benefits accrued for each year of service. The scheme was made fully paid up at 31 December 2003 and no further benefits are accruing to members subsequent to this date. In addition, in Continental Europe the Group is liable for certain post employment benefits which meet the criteria of a defined benefit plan. These obligations are of an unfunded nature.

The charge in the consolidated income statement in respect of the defined benefit pension plans comprises a net interest expense / income calculated as the product of the net defined benefit liability / asset and the discount rate as determined at the beginning of the year. The net interest expense / income is recognised in finance costs / income. Past-service costs are recognised immediately in income.

The liability recognised in the statement of financial position in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the date of the statement of financial position less the fair value of the plan assets. The independent actuary, using the projected unit credit method and assumptions agreed with the trustees and directors, calculates the defined benefit obligation annually. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arise from experience adjustments (the effects of differences between previous actuarial assumptions and what has actually occurred) and changes in actuarial assumptions. Actuarial gains and losses are recognised in full, in the year they occur, in the statement of comprehensive income.

Defined contribution plans

For defined contribution plans, the Group pays contributions to independently administered pension plans on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

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.

Trade payables

Trade payables are non interest-bearing and are stated at amortised cost.

Leases

Leases in which a significant portion of the risks and rewards of ownership are transferred to the Group 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 consolidated 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 consolidated income statement over the term of the lease.

Foreign currencies

Items included in the financial statements of the Group's subsidiary companies are measured using the currency of the primary economic environment in which the subsidiary operates ('the functional currency'). The consolidated financial statements are presented in sterling, which is the Group and Company's functional and presentational currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at the rates of exchange ruling at the date of the statement of financial position. Differences arising on translation are charged or credited to the consolidated income statement except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

The income statements of foreign subsidiary companies are translated into sterling at monthly average exchange rates and the statements of financial position are translated at the exchange rates ruling at the date of the statements of financial position. On consolidation, exchange differences arising from the translation of the net investment in foreign subsidiaries, and of borrowings designated as hedges of such investments, are taken to shareholders' equity. These exchange differences are disclosed as a separate component of shareholders' equity within other reserves.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Financial assets

The Group classifies its financial assets in 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 Group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the statement of financial position.

Borrowings and finance costs

Borrowings are recognised initially at fair value (being the issue proceeds), less attributable transaction costs.

Borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is adjusted for the amortisation of any transaction costs. The amortisation is recognised in finance costs. Transaction costs are amortised over the expected term of the related financial instruments.

All borrowings denominated in currencies other than sterling are translated at the rate ruling at the statement of financial position date.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

Finance income

Finance income is recognised on a time-proportion basis using the effective interest method.

Brake Bros Limited
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Notes to the financial statements

1. Accounting policies (continued)

Derivative financial instruments

The Group uses derivative financial instruments, principally commodity swaps to hedge the diesel price and interest rate caps to manage the interest rate risk on interest payments. The Group does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently re-measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as:

- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecasted transaction (cash flow hedge).

The Group documents at or near to the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair value of derivative instruments used for hedging purposes are disclosed in note 16 (c). Movements on the hedging reserve in shareholders' equity are shown in note 21. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than one year, and as a current asset or liability when the remaining maturity of the hedged item is less than one year.

(a) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity (in other reserves in note 21). The gain or loss relating to the ineffective portion is recognised immediately in 'finance costs - net' in the consolidated income statement.

Amounts accumulated in equity are recycled in the consolidated income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the consolidated income statement within 'finance costs - net'. The gain or loss relating to the ineffective portion of interest rate swaps hedging variable rate borrowings is recognised in the consolidated income statement within 'finance costs - net'.

When a hedging instrument expires or is sold, or where a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement within 'finance costs - net'.

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. Incremental costs directly attributable to the issue of new shares are shown in the same respective category to which the costs relate. Dividends or interest arising on such financial instruments are recognised according to the classification of the financial instrument.

Share based payments

The Group operates a management incentive plan where certain employees can subscribe for share capital and loan notes in the parent undertaking Cucina Investment (UK) 3 Limited. The Group determines the fair value of equity instruments granted to employees at the date of the grant. Vesting conditions, other than market conditions, are not taken into account when estimating the fair value. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. If material, the Group would recognise an amount within employee benefit expense in the consolidated income statement during the vesting period based on the expected number of equity instruments which will vest.

Critical accounting estimates and assumptions

(a) Impairment review of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (see note 6).

A sensitivity analysis has been performed on the key assumptions used for assessing the goodwill. The directors have concluded that in the case of Broadline UK, Broadline Continental Europe, Country Choice and M&J Seafood that as these have significant headroom of recoverable amounts in excess of carrying values it is considered that there are no reasonably possible changes in key assumptions which would cause the carrying amount of goodwill to exceed its value-in-use.

(b) Employee benefits – defined pension obligation

Following the amendment to IAS 19 'Employee Benefits' issued in December 2004 and subsequently revised in June 2011, the Group has adopted an accounting policy whereby actuarial gains and losses for the UK defined benefit pension scheme are taken through the statement of comprehensive income in full each year, and the full deficit on an IAS 19 basis is included within the statement of financial position.

The defined benefit pension obligation has been calculated by the scheme actuary for each reporting date, using the projected unit credit method and assumptions agreed with the Group (see note 17 to the financial statements).

One of the key assumptions used in determining the valuation at 31 December 2014 is the UK discount rate of 3.7%. Whilst the directors consider that the adoption of a 3.7% discount rate is appropriate if the rate used had been 0.2% higher or lower the retirement benefit obligation would have been approximately £8.6m lower or higher. Another key assumption used in determining the valuation is the mortality assumption. If the average life expectancy in years of pensioner retiring was 1 year higher or lower than that used in the valuation the retirement benefit obligation would have been approximately £7.2m higher or lower.

(c) Income taxes - deferred taxation

The group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the group's provision for deferred taxation. There are certain calculations for which the ultimate tax determination is uncertain. The group recognises liabilities and assets for anticipated tax issues based on estimates of whether additional taxes will be due or recoverable. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

A deferred tax asset of £9.0m is recognised in respect of certain UK tax losses. The key assumption used in recognition of this asset is based upon a track record of generating taxable profits over the past five years and management's forecasts for taxable profits for the next five years, and the assumption that the losses will be available for utilisation. If the tax losses were subsequently found not to be available for utilisation against taxable profits then the deferred tax asset would no longer be recognised and there would be a charge of £9.0m in income taxes in the consolidated income statement.

Brake Bros Limited
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Notes to the financial statements

2. Revenue and operating profit

	2014 £m	2013 £m
Revenue - products	3,094.2	3,020.1
Direct purchase cost	(2,352.2)	(2,308.5)
Trading profit	742.0	711.6
Distribution and selling costs	(539.1)	(522.0)
Gross profit	202.9	189.6
Administrative expenses	(87.9)	(86.6)
Exceptional items (see below)	(38.3)	(19.8)
Amortisation of intangible assets - customer lists	(1.4)	(1.4)
Amortisation of intangible assets - computer software	(10.2)	(8.0)
Total administrative expenses	(137.8)	(115.8)
Group operating profit	65.1	73.8

The Group's revenue primarily comprises of sales to customers within the United Kingdom (including the Republic of Ireland) amounting to £2,109.4m (2013: £2,000.4m) and within Continental Europe amounting to £984.8m (2013: £1,019.7m).

The Group operating profit is all derived from continuing operations.

	2014 £m	2013 £m
Profit on ordinary activities before taxation is arrived at after charging / (crediting):		
Employee benefit expense (note 23)	354.3	337.0
Inventories		
- cost of inventories recognised as an expense (included in direct purchase cost)	2,344.0	2,299.8
- write downs and losses incurred in the year	4.0	4.4
Amortisation of intangible assets - brands and customer contracts and relationships	1.4	1.4
Amortisation of intangible assets - computer software	10.2	8.0
Computer software impairment loss	0.1	-
Depreciation of property, plant and equipment		
- owned assets	22.7	24.6
- assets held under finance leases	12.2	13.1
Loss / (profit) on sale of property, plant and equipment	0.9	(1.9)
Property, plant and equipment impairment loss	2.3	-
Other operating lease rentals payable		
- plant and machinery	13.3	13.5
- property	25.2	22.7
Repairs and maintenance expenditure on property, plant and equipment	29.8	27.4
Trade receivables impairment (note 11)	1.6	2.3
Exceptional items		
- Business change costs	6.4	8.8
- Business exit costs	13.2	-
- Restructuring of the UK distribution network	13.3	4.0
- Other UK restructuring costs and other costs	2.3	2.2
- Brake France Service SAS restructuring costs	0.7	0.1
- Menigo Foodservice AB restructuring costs	0.7	0.4
- Transaction fees	1.7	4.3
Total exceptional items	38.3	19.8

Business change costs

Significant business change costs amounting to £6.4m (2013: £8.8m) have been incurred during the year. In 2013 and 2014 the costs include Brakes' employees dedicated to project management together with external consultancy costs, particularly attributable to IT restructuring.

Business exit costs

Business exit costs amounting to £13.2m consisted of costs and losses associated with restructuring non-core parts of the Brakes operations such as the manufacturing operations previously owned in Flint and Torquay, operations in South East London and onerous leases and asset impairment charges. The losses associated with these businesses have been charged to exceptional costs so that EBITDA reflects the ongoing base business of Brakes.

Restructuring of the UK distribution network

Restructuring has taken place in the UK in order to redevelop the distribution network and infrastructure with costs in the year amounting to £13.3m (2013: £4.0m). During the implementation of this restructure, a large number of one-off costs are being incurred and a dedicated team of Brakes' employees have been recruited to manage the project. The restructuring costs incurred primarily related to project management costs, the closure of depots and the restructuring costs relate to redundancy payments and other exceptional operating costs incurred during the period prior to closure and also costs in relation to start up and dual running costs when opening and closing depots. During 2014 a new distribution centre in Newhouse was built and this opened in September.

Other UK restructuring and other costs

Other UK restructuring costs of £2.3m (2013: £2.2m) primarily relate to redundancy costs incurred from permanent headcount reductions and from depot closure and other costs. In respect of redundancy cost, where staff have been notified of their redundancy during the period, a full accrual is made for their costs from the date of notification and these costs are classified as exceptional items.

Brake France Service SAS restructuring costs

Brake France Service SAS incurred restructuring costs of £0.7m (2013: £0.1m) in relation to roles permanently removed from the business during the year.

Menigo Foodservice AB restructuring costs

Menigo Foodservice AB incurred restructuring costs of £0.7m (2013: £0.4m) in relation to roles permanently removed from the business during the year and other restructuring costs.

Transaction fees

Transaction fees are for professional and legal fees incurred by advisors acting on behalf of the Group and also for property costs arising from previous acquisitions. In 2014 a total of £1.7m has been charged in respect of transactions costs arising from previous acquisitions and for fees for considering market opportunities. In 2013 £2.6m was charged to exceptionals and was in relation to property lease claims made by landlords against the subsidiary undertaking Woodward Foodservice Limited. The leasehold properties were not acquired as part of the 2008 acquisition of Woodward's although Woodward's was guarantor for any default in performance. In addition in 2013 £1.7m of professional and legal fees were incurred by advisors.

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2. Revenue and operating profit (continued)

Auditors

During the year the Group (including its overseas subsidiaries) obtained the following services from the Group's auditors and its associates at the following costs:

Fees payable to the Company's auditor and its associates for the audit of the parent company and consolidated financial statements amounted to £0.1m (2013: £0.2m). Fees payable to the Company's auditor and its associates for other services are detailed as follows:

	2014 £m	2013 £m
Other services:		
The audit of the company's parent and subsidiary undertakings	0.3	0.3
Tax compliance service	0.1	0.3
Other non-audit services	0.1	0.2
	0.5	0.8

3. Finance costs - net

	2014 £m	2013 £m
Finance costs:		
Bank loans	(4.6)	(4.6)
Other loans and charges	(0.7)	(0.5)
Amortisation of debt issue costs	(0.7)	(0.7)
Finance leases	(2.4)	(1.7)
Foreign exchange gains on financing activities	-	(0.2)
Net interest on net defined benefit liability (note 17)	(2.0)	(2.4)
Total finance costs	(10.4)	(10.1)
Finance income:		
Interest income on short term deposits	0.5	0.6
Other interest income	0.1	0.1
Loans to parent undertakings	19.8	61.8
Foreign exchange gains on financing activities	0.3	-
Total finance income	20.7	62.5
Finance costs - net	10.3	52.4

4. Income tax charge

Taxation is based on the profit for the year and comprises:

	2014 £m	2013 £m
Current tax		
- current year group relief	10.1	21.9
- adjustments in respect of previous years	0.3	(1.2)
- overseas taxation	3.6	4.7
Deferred taxation		
- origination and reversal of temporary differences	3.6	3.9
- impact of change in UK tax rate	(0.1)	2.5
- adjustments to deferred tax in respect of previous years	(5.2)	(6.2)
- overseas deferred taxation	(0.4)	(1.0)
Income tax charge	11.9	24.6

Analysis of tax on items (credited) / charged to equity

	2014 £m	2013 £m
Deferred tax (credit) / charge on retirement benefit obligation actuarial losses / gains (see note 19)	(3.0)	3.0
Deferred tax on cash flow hedges	(0.5)	-
Overseas taxation on retirement benefit obligation actuarial losses	0.3	(0.2)
	(3.2)	2.8

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

	2014 £m	2013 £m
Profit on ordinary activities before tax	75.4	126.2
At 21.5% (2013: 23.25%)	16.2	29.3
Effects of:		
Adjustments to tax charge in respect of previous years	0.3	(1.2)
Tax losses not giving rise to current year relief	0.7	0.5
Adjustments to deferred taxation in respect of previous years	(5.2)	(6.2)
Re-measurement of deferred tax - change in the UK tax rate	(0.1)	2.5
Expenses not deductible for tax purposes and other adjustments	-	(0.3)
Tax charge	11.9	24.6

The standard rate of corporation tax in the UK reduced from 23% to 21% with effect from 1 April 2014 and accordingly the company's profits for the financial year were taxed at an effective rate of 21.5%.

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5. Profit of the Parent Company for the financial year

The company has taken advantage of section 408 of the Companies Act 2006, and consequently has not presented an income statement. The company's profit for the financial year amounted to £35.1m (2013: £82.8m).

6. Goodwill

	Group £m	Company £m
Cost and net book value		
At 1 January 2014	153.8	28.2
Exchange adjustment	(2.7)	-
At 31 December 2014	151.1	28.2

	Group £m	Company £m
Cost and net book value		
At 1 January 2013	152.8	28.2
Exchange adjustment	1.0	-
At 31 December 2013	153.8	28.2

The goodwill has been allocated to cash-generating units (CGUs) and a summary of the carrying amounts of goodwill by operating segments (representing groups of cash generating units) at 31 December, is as follows:

	Broadline £m	Country Choice £m	M&J Seafood £m	Total £m
United Kingdom	35.2	26.6	36.0	97.8
Continental Europe	53.3	-	-	53.3
At 31 December 2014	88.5	26.6	36.0	151.1

	Broadline £m	Country Choice £m	M&J Seafood £m	Total £m
United Kingdom	35.2	26.6	36.0	97.8
Continental Europe	58.0	-	-	58.0
At 31 December 2013	91.2	26.6	36.0	153.8

The Broadline business segment represents the core foodservice cash generating units. In the UK it comprises the trading companies Brake Bros Limited, Wild Harvest Limited, O'Kane Food Service Limited, Freshfayre Limited, Brake Bros Foodservice Ireland Limited and in Continental Europe it principally comprises the trading companies Brake France Service SAS in France and Menigo Foodservice AB in Sweden. The Country Choice business segment comprises of the trading company Brake Bros Foodservice Limited.

Impairment reviews

An overview of impairment reviews performed by operating segment is set out below. The recoverable amount of a CGU is determined on value-in-use calculations. These calculations use pre-tax cash flow projections based on internal forecasts approved by management covering the next period. Subsequent cash flows beyond are extrapolated using the estimated growth rate stated below.

The key assumptions in the value in use calculations were:

- Revenue growth. This was based on expected levels of activity under existing major contractual arrangements together with growth based upon medium term historical growth rates and having regard for expected economic and market conditions for other customers.
- Operating cost growth. This assumption was based upon management's expectation for each significant product line, having regard for contractual arrangements and expected changes in market conditions.
- Discount rates. The discount rates applied to the cash flow projections are based on an appropriate weighted average cost of capital for the group and reflect specific risks relating to the relevant operating segments.

The forecasts are based on the approved management plan covering the next financial year. Subsequent cash flows have been forecast to increase by 2.6% (2013: 3.25%) in line with the long term GDP growth rate and including inflation, reflecting minimum management expectations based on historical growth. The cash flows in the UK and Continental Europe were discounted using pre-tax discount rates of 10.1% (2013: 9.4%) in the UK, 11.3% (2013: 9.0%) in France and 9.1% (2013: 7.7%) in Sweden.

The results of the impairment reviews undertaken indicated that the CGUs have recoverable amounts in excess of the carrying value of the goodwill. For the impairment reviews a sensitivity analysis (included in 'critical accounting estimates and assumptions', in note 1 to the financial statements) has been performed on the key assumptions used in determining the recoverable amount of the CGUs.

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7. Intangible Assets

Group	Brands £m	Customer contracts and relationships £m	Computer software £m	Total £m
Cost or valuation				
At 1 January 2014	6.1	15.3	84.4	105.8
Exchange adjustment	-	-	(2.1)	(2.1)
Additions	-	-	15.7	15.7
Disposals	-	-	(7.0)	(7.0)
At 31 December 2014	6.1	15.3	91.0	112.4
Accumulated amortisation				
At 1 January 2014	1.0	9.3	56.9	67.2
Exchange adjustment	-	-	(1.6)	(1.6)
Charge for the year	0.2	1.2	10.2	11.6
Impairment loss	-	-	0.1	0.1
Disposals	-	-	(7.0)	(7.0)
At 31 December 2014	1.2	10.5	58.6	70.3
Net book value at 31 December 2014	4.9	4.8	32.4	42.1

Group	Brands £m	Customer contracts and relationships £m	Computer software £m	Total £m
Cost or valuation				
At 1 January 2013	6.1	15.3	67.2	88.6
Exchange adjustment	-	-	0.4	0.4
Additions	-	-	17.4	17.4
Disposals	-	-	(0.6)	(0.6)
At 31 December 2013	6.1	15.3	84.4	105.8
Accumulated amortisation				
At 1 January 2013	0.8	8.1	49.2	58.1
Exchange adjustment	-	-	0.3	0.3
Charge for the year	0.2	1.2	8.0	9.4
Disposals	-	-	(0.6)	(0.6)
At 31 December 2013	1.0	9.3	56.9	67.2
Net book value at 31 December 2013	5.1	6.0	27.5	38.6

Company	Brands £m	Customer contracts and relationships £m	Computer software £m	Total £m
Cost or valuation				
At 1 January 2014	2.2	6.4	58.5	67.1
Additions	-	-	12.7	12.7
At 31 December 2014	2.2	6.4	71.2	79.8
Accumulated amortisation				
At 1 January 2014	0.4	3.9	34.9	39.2
Charge for the year	0.1	0.7	7.9	8.7
Impairment loss	-	-	0.1	0.1
At 31 December 2014	0.5	4.6	42.9	48.0
Net book value at 31 December 2014	1.7	1.8	28.3	31.8

Company	Brands £m	Customer contracts and relationships £m	Computer software £m	Total £m
Cost or valuation				
At 1 January 2013	2.2	6.4	43.4	52.0
Additions	-	-	15.1	15.1
At 31 December 2013	2.2	6.4	58.5	67.1
Accumulated amortisation				
At 1 January 2013	0.3	3.3	29.2	32.8
Charge for the year	0.1	0.6	5.7	6.4
At 31 December 2013	0.4	3.9	34.9	39.2
Net book value at 31 December 2013	1.8	2.5	23.6	27.9

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8. Property, plant and equipment

Group	Land and buildings £m	Motor vehicles £m	Plant and equipment £m	Information technology hardware £m	Total £m
Cost or valuation					
At 1 January 2014	165.2	141.6	133.1	33.5	473.4
Exchange adjustments	(5.0)	(2.7)	(2.2)	(0.4)	(10.3)
Reclassification	0.7	-	(0.7)	-	-
Additions	22.1	27.7	11.1	1.6	62.5
Disposals	(9.0)	(16.3)	(11.8)	(0.8)	(37.9)
At 31 December 2014	174.0	150.3	129.5	33.9	487.7
Accumulated depreciation					
At 1 January 2014	74.4	77.3	98.1	29.0	278.8
Exchange adjustment	(2.5)	(1.4)	(1.6)	(0.3)	(5.8)
Reclassification	0.7	-	(0.7)	-	-
Charge for the year	6.0	18.1	8.5	2.3	34.9
Impairment loss	2.2	-	0.1	-	2.3
Disposals	(5.5)	(14.3)	(10.8)	(0.8)	(31.4)
At 31 December 2014	75.3	79.7	93.6	30.2	278.8
Net book value at 31 December 2014	98.7	70.6	35.9	3.7	208.9

Group	Land and buildings £m	Motor vehicles £m	Plant and equipment £m	Information technology hardware £m	Total £m
Cost or valuation					
At 1 January 2013	151.4	135.1	125.0	32.4	443.9
Exchange adjustments	1.4	0.5	0.3	0.1	2.3
Additions	15.2	22.3	11.0	1.6	50.1
Disposals	(2.8)	(16.3)	(3.2)	(0.6)	(22.9)
At 31 December 2013	165.2	141.6	133.1	33.5	473.4
Accumulated depreciation					
At 1 January 2013	68.7	72.6	91.9	26.7	259.9
Exchange adjustment	0.8	0.1	0.2	-	0.9
Charge for the year	7.0	18.9	9.0	2.9	37.8
Disposals	(1.9)	(14.3)	(3.0)	(0.6)	(19.8)
At 31 December 2013	74.4	77.3	98.1	29.0	278.8
Net book value at 31 December 2013	90.8	64.3	35.0	4.5	194.6

Land and buildings comprise:

	2014 £m	2013 £m
Cost		
Freehold	108.8	118.0
Long leasehold	9.5	9.5
Short leasehold	55.7	37.7
	174.0	165.2
Accumulated depreciation		
Freehold	55.6	58.8
Long leasehold	4.0	3.9
Short leasehold	15.7	11.7
	75.3	74.4

Assets held under finance leases have the following net book amount:

	2014 £m	2013 £m
Cost	79.7	79.0
Accumulated depreciation	(39.1)	(36.6)
Net book amount	40.6	42.4
Land and buildings	5.5	6.5
Motor vehicles	35.0	35.7
Plant and equipment	0.1	0.2
Net book amount	40.6	42.4

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8. Property, plant and equipment (continued)

Company	Land and buildings £m	Motor vehicles £m	Plant and equipment £m	Information technology hardware £m	Total £m
Cost or valuation					
At 1 January 2014	92.0	105.3	88.1	27.6	311.0
Additions	18.5	21.3	5.8	1.0	46.6
Disposals	(5.1)	(11.7)	(10.0)	(0.2)	(27.0)
At 31 December 2014	105.4	114.9	81.9	28.4	330.6
Accumulated depreciation					
At 1 January 2014	37.8	60.4	65.3	24.5	188.0
Charge for the year	3.2	11.6	4.1	1.5	20.4
Impairment loss	2.2	-	0.1	-	2.3
Disposals	(2.3)	(10.0)	(9.1)	(0.2)	(21.6)
At 31 December 2014	40.9	62.0	60.4	25.8	189.1
Net book value at 31 December 2014	64.5	52.9	21.5	2.6	141.5

Company	Land and buildings £m	Motor vehicles £m	Plant and equipment £m	Information technology hardware £m	Total £m
Cost or valuation					
At 1 January 2013	84.4	101.6	82.7	27.1	295.8
Additions	9.9	13.9	4.5	0.5	28.8
Disposals	(2.3)	(10.2)	(1.1)	-	(13.6)
At 31 December 2013	92.0	105.3	86.1	27.6	311.0
Accumulated depreciation					
At 1 January 2013	35.8	57.4	61.4	22.8	177.3
Charge for the year	3.2	11.9	4.9	1.9	21.9
Disposals	(1.3)	(8.9)	(1.0)	-	(11.2)
At 31 December 2013	37.8	60.4	65.3	24.5	188.0
Net book value at 31 December 2013	54.2	44.9	20.8	3.1	123.0

Land and buildings comprise:

	2014 £m	2013 £m
Cost or valuation		
Freehold	48.8	53.7
Long leasehold	9.5	9.4
Short leasehold	47.1	28.9
	105.4	92.0
Accumulated depreciation		
Freehold	26.6	27.6
Long leasehold	4.0	3.8
Short leasehold	10.3	6.4
	40.9	37.8

Assets held under finance leases have the following net book amount:

	2014 £m	2013 £m
Cost or valuation	43.6	40.7
Accumulated depreciation	(23.4)	(21.5)
Net book amount	20.2	19.2
Motor vehicles	20.2	19.2
Net book amount	20.2	19.2

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9. Investments in subsidiaries

Company	Investment in subsidiary undertakings (equity)		Net book value
	At cost	Provision	
	£m	£m	£m
At 1 January 2014 and 31 December 2014	240.0	(51.9)	188.1

Company	Investment in subsidiary undertakings (equity)		Net book value
	At cost	Provision	
	£m	£m	£m
At 1 January 2013 and 31 December 2013	240.0	(51.9)	188.1

Investments are recorded at cost, which is the fair value of consideration paid. The directors consider that the value of the investments are supported by the underlying assets and the expected future performance of the group.

The subsidiary undertakings at 31 December 2014 and 31 December 2013, unless otherwise stated, are listed as follows:

Name of Company	Country of Incorporation	Percentage interest held	Operating in:
The principal trading subsidiary undertakings are all involved in the supply of frozen, chilled and ambient foods as well as catering supplies and equipment to the catering industry and are as follows:			
Brake Bros Foodservice Limited	England and Wales	100.00%	United Kingdom
M&J Seafood Limited	England and Wales	100.00%	United Kingdom
Wild Harvest Limited	England and Wales	100.00%	United Kingdom
Freshfayre Limited	England and Wales	100.00%	United Kingdom
O'Kane Food Service Limited	Northern Ireland	100.00%	United Kingdom
Brake Bros Foodservice Ireland Limited	Republic of Ireland	100.00%	Republic of Ireland
Brake France Service SAS	France	100.00%	Continental Europe
Menigo Foodservice AB	Sweden	66.67%	Continental Europe
Name of Company	Country of Incorporation	Percentage interest held	
Other subsidiary undertakings are as follows:			
Trading companies:			
Servicestryckarna i Johanneshov AB	Sweden	66.67%	
Isakssons Fukt & Grönt AB	Sweden	66.67%	
Fruktserice i Helsingborg AB	Sweden	66.67%	
Restaurangakademien AB	Sweden	33.34%	
Brake France Développement	France	100.00%	
Non-trading holding companies:			
Cidron Food Holding S.à r.l.	Luxembourg	66.67%	
Cidron Food Services S.à r.l.	Luxembourg	66.67%	
Brake France SAS	France	100.00%	
Dormant companies and other non-trading companies:			
Brakes Limited	England and Wales	100.00%	
Campbell & Neill Limited	England and Wales	100.00%	
Cearns & Brown (Southern) Limited	England and Wales	100.00%	
John Morris Leasing Limited	England and Wales	100.00%	
Stockflag Limited	England and Wales	100.00%	
Taste of the Wild Limited	England and Wales	100.00%	
W Pauley & Co Limited	England and Wales	50.00%	
Watson & Philip Cearns & Brown (South East) Limited	England and Wales	100.00%	
Woodward Foodservice Limited	England and Wales	100.00%	
Scotia Campbell Marine Limited	Scotland	100.00%	
Fruktserice i Malmö AB	Sweden	66.67%	
Fastighetsaktiebolaget Guldfrukten i Lund AB	Sweden	66.67%	
Menigo Invest 1 AB	Sweden	66.67%	
Menigo Invest 2 AB	Sweden	66.67%	
SCI Bianchi Montegut	France	100.00%	
SCI Le Dauphin	France	100.00%	
Financière Du Rohein	France	100.00%	
SCI De Boisseau	France	100.00%	
SCI De Garcelles	France	100.00%	
Group Rault	France	100.00%	
SCI JD Lanjouan	France	100.00%	
Rault Lamballe	France	100.00%	
Rault Sud	France	100.00%	
Rault Vendome	France	100.00%	
Rault Nantes	France	100.00%	
Rault Caen	France	100.00%	

During the year on 18 September 2014 Menigo Foodservice Norge AS went into liquidation.

10. Inventories

	Group		Company	
	2014	2013	2014	2013
	£m	£m	£m	£m
Raw materials and consumables	1.7	3.1	1.1	2.5
Finished goods and goods for resale	122.4	118.9	71.6	63.3
	124.1	122.0	72.7	65.8

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11. Trade and other receivables

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Trade receivables	83.8	89.5	4.8	5.1
Trade receivables - factored	192.7	188.9	-	-
Less: provision for impairment of receivables	(7.7)	(8.9)	-	-
Trade receivables - net	268.8	269.5	4.8	5.1
Amounts owed by group undertakings	-	-	98.4	98.8
Amounts owed by parent undertakings	177.3	160.9	176.9	160.7
Loans owed by parent undertakings	360.3	303.4	360.3	303.5
Loans owed by group undertakings	-	-	-	0.5
Other receivables	5.0	8.8	1.1	4.1
Prepayments	16.2	17.6	9.0	11.2
	827.6	760.2	650.5	583.9

During the year certain subsidiary companies of the Group sold trade receivables to a special purpose entity, Brake Bros Receivables Limited. In accordance with IFRS 10 ("Consolidated Financial Statements"), Brake Bros Receivables Limited is included within the consolidated results of the Group. Brake Bros Receivables Limited has entered into a recourse factoring agreement with a bank and these receivables are separately disclosed in the note above. The transaction has been accounted for as a collateralised borrowing (see note 15). In case Brake Bros Receivables Limited defaults under the loan agreement, the lender has the right to receive the cash flows from the receivables transferred. Without default, Brake Bros Receivables Limited will collect the receivables and allocate new receivables as collateral. The total amount pledged as collateral for borrowings is £192.7m (2013: £188.9m).

The creation and release of a provision for the impaired receivables have been included in direct purchase costs in the income statement.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated. Due to this, management believe there is no further credit risk provision required in excess of the normal provision for doubtful receivables. Therefore, the maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The group and Company do not hold any collateral as security.

As of 31 December 2014, Group trade receivables of £199.2m (2013: £228.0m) and Company trade receivables of £4.8m (2013: £5.1m) were fully performing.

As of 31 December 2014, Group trade receivables of £69.2m (2013: £41.1m) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Up to 3 months	66.7	40.5	-	-
3 to 6 months	2.5	0.6	-	-
	69.2	41.1	-	-

As of 31 December 2014, trade receivables of £8.1m (2013: £9.3m) were impaired and provided for. The amount of the provision was £7.7m as of 31 December 2014 (2013: £8.9m). The individually impaired receivables mainly relate to customers which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing analysis of these trade receivables is as follows:

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Up to 3 months	1.7	2.4	-	-
3 to 6 months	1.6	2.2	-	-
Over 6 months	4.8	4.7	-	-
	8.1	9.3	-	-

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

The carrying amounts of the trade and other receivables are denominated in the following currencies:

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Pounds	722.3	655.0	649.4	582.8
Euros	54.4	58.4	1.0	0.9
Swedish Krona	50.9	46.8	0.1	0.2
	827.6	760.2	650.5	583.9

Movements on the provision for impairment of trade receivables are as follows:

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
At 1 January	8.9	9.1	-	-
Exchange adjustment	(0.4)	0.1	-	-
Provision for receivables impairment	1.6	2.3	-	-
Receivables written off during the year as uncollectible	(2.4)	(2.6)	-	-
At 31 December	7.7	8.9	-	-

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated. Due to this, management believe there is no further credit risk provision required in excess of a normal provision for impaired receivables. Therefore, the maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The Group and Company does not hold any collateral as security.

The other classes within trade and other receivables do contain impaired assets

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12. Cash and cash equivalents

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Cash at bank and in hand	84.2	76.3	55.8	50.4
Short term bank deposits	33.6	57.7	11.8	40.5
	117.7	134.0	67.6	90.9

The effective interest rate on short term deposits was 0.25% (2013: 0.25%) and these deposits have an average maturity of 1 day (2013: 1 day). The effective interest rate on company cash at bank and in hand is 0% (2013: 0%).

13. Trade and other payables

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Trade payables	379.1	381.5	298.1	299.1
Amounts owed to parent undertakings	99.6	88.9	77.3	70.6
Amounts owed to group undertakings	-	-	142.1	127.3
Other taxes and social security	19.1	19.6	6.0	5.5
Other payables	18.3	19.5	2.6	1.2
Accruals	58.3	49.9	46.1	37.8
	574.4	559.4	572.2	541.5

Amounts owed to group and parent undertakings are non-interest bearing, unsecured and are repayable on demand.

14. Current income tax liabilities

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Corporation tax - overseas	0.1	0.3	-	-
	0.1	0.3	-	-

15. Financial liabilities - borrowings

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Current				
Loans owed to parent undertakings	8.3	9.2	8.3	9.2
Loans owed to group undertakings	-	-	-	0.1
Loan notes	-	0.4	-	-
Bank loans	1.0	0.4	-	-
Finance lease obligations	11.8	15.0	6.9	8.5
	21.1	25.0	15.2	17.8

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Non-current				
Loans owed to parent undertakings	8.3	9.2	8.3	9.2
Loans owed to group undertakings	-	-	-	0.1
Loan notes	0.9	0.6	-	-
Bank loans	145.7	153.1	-	-
Debt issue costs	(1.4)	(2.0)	-	-
Finance lease obligations	35.8	37.7	21.0	19.7
	189.3	198.6	29.3	29.0
Less amounts falling due within one year	(21.1)	(25.0)	(15.2)	(17.8)
	168.2	173.6	14.1	11.2

Bank loans amounting to £125.0m (2013: £125.0m) have been obtained pursuant to a debt factoring agreement. Further information regarding this is given in note 11 of the financial statements. Senior debt of a parent undertaking Cudna Acquisition (UK) Limited is secured by way of a fixed and floating charge over the assets of the Company and certain other UK assets of the Group.

The carrying amounts of the Group and Company's borrowings are denominated in the following currencies:

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Pounds Sterling	153.0	142.8	29.3	19.8
Euros	12.9	15.5	-	-
Swedish Krona	23.4	40.3	-	9.2
	189.3	198.6	29.3	29.0

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15. Financial liabilities - borrowings (continued)

The maturity of borrowings is set out in note 16(a). The exposure of the Group and the Company to interest rate changes is as follows:

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Borrowings at floating interest rates	146.6	132.8	8.3	9.3
Fixed rate borrowings maturing:				
- within one year	8.0	15.4	6.9	8.5
- one to five years	33.0	49.5	12.9	10.4
- over five years	1.7	0.9	1.2	0.8
	189.3	198.6	29.3	29.0

The effective interest rates at date of the statement of financial position were as follows:

	Group 2014	2013	Company 2014	2013
Bank loans	3.3%	3.1%	0.0%	0.0%
Finance lease obligations	6.0%	4.9%	7.2%	7.2%
Loans owed to parent undertakings	6.2%	5.7%	6.2%	3.8%

16. Financial instruments

16 (a) Financial instruments - narrative disclosure

Disclosures in respect of the Group's financial risks are set out below. Additional disclosures are set out in the Accounting Policies (on pages 14 to 18) and numerical disclosures in respect of financial instruments are set out in note 16(b), 16(c) and 16(d).

Financial risk management

Financial risk factors

The Group has operations in the UK, the Republic of Ireland, France and Sweden and has debt financing which exposes it to a variety of financial risks that include the effects of changes in debt market prices, foreign currency exchange rates, credit risks, liquidity and interest rates. The wider Cucina (BC) Luxco S.à r.l. ("Cucina") Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by using foreign currency debt to hedge overseas investments in subsidiaries, and interest hedging agreements to limit the impact from potential future interest rate increases. Senior debt financing of a parent undertaking, Cucina Acquisition (UK) Limited is secured on certain UK assets of the Group.

The Group's board of directors have the responsibility for setting the risk management policies applied by the Group. 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 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 financial instruments to manage these.

(i) Foreign currency exchange risk

The Group is exposed to foreign exchange risks primarily with respect to the Euro and Swedish Krona. Exposure to the Swedish Krona is not considered material. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the Euro in the wider Cucina Group.

(ii) Interest rate risk

The Group has both interest bearing assets and interest bearing liabilities. The Group's interest rate risk primarily arises from floating interest rate long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. During 2014, the Group's borrowings at variable rate were primarily denominated in the UK Pound. The Group analyses its interest rate exposure to a shift in interest rates. The Group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for assets and liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on post tax profit of a 10% shift would be a maximum increase or decrease of £1.4m (2013: £1.2m).

(iii) Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks, independently rated parties within the band 'A' rating are used for the main Group banking requirements, and wherever possible for subsidiary day to day operating requirements. For customers, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The Group has implemented policies that require appropriate credit checks on potential customers before sales commence.

The table below shows the credit rating and balance of the major bank counterparties at the date of the statement of financial position. A full analysis of cash at bank and short term deposits is included in note 16(d) to the financial statements.

Group Counterparty	2014		2013	
	Rating	Balance £m	Rating	Balance £m
Bank A	A	69.3	A	90.8
Bank B	A	-	A	3.9
Bank C	A+	7.7	A+	9.1
Bank D	A	7.8	A	4.2
Bank E	A	0.4	A	1.1
Bank F	BB+	3.8	BB+	4.0
Bank G	A+	23.6	A+	18.7
Bank H	BBB+	1.4	BBB+	0.7
Bank J	AA-	1.5	AA-	1.5
Bank K	A	0.1	A	-
Bank L	A	2.1	AA-	-
		117.7		134.0

Company Counterparty	2014		2013	
	Rating	Balance £m	Rating	Balance £m
Bank A	A	65.0	A	86.5
Bank B	-	-	A	3.3
Bank E	A	0.4	A	1.0
Bank K	A	0.1	-	-
Bank L	A	2.1	-	-
		67.6		90.8

Management does not expect any losses from non-performance by these counterparties.

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16. Financial instruments (continued)

16 (a) Financial instruments - narrative disclosure (continued)

(iv) Liquidity risk

The Group actively maintains a mixture of long-term and short-term facilities that are designed to ensure the Group has sufficient available funds for operations and planned expansions. Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility (note 16(c)) and cash and cash equivalents (note 12)) on the basis of expected cash flow. Senior debt of a parent undertaking Cucina Acquisition (UK) Limited is secured by way of a fixed and floating charge over certain UK assets of the Group.

The table below analyses the Group and Company's financial liabilities into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contract maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than one year £m	Between one and two years £m	Between two and five years £m	Over five years £m
Group				
Borrowings	27.8	141.3	34.6	2.1
Derivative financial instruments	2.4	-	-	-
Trade and other payables excluding statutory liabilities	555.3	-	-	-
As at 31 December 2014	585.5	141.3	34.6	2.1

	Less than one year £m	Between one and two years £m	Between two and five years £m	Over five years £m
Group				
Borrowings	31.8	44.0	140.8	0.8
Trade and other payables excluding statutory liabilities	539.8	-	-	-
As at 31 December 2013	571.4	44.0	140.8	0.8

	Less than one year £m	Between one and two years £m	Between two and five years £m	Over five years £m
Company				
Borrowings	16.7	6.3	8.8	1.2
Derivative financial instruments	2.4	-	-	-
Trade and other payables excluding statutory liabilities	566.2	-	-	-
As at 31 December 2014	585.3	6.3	8.8	1.2

	Less than one year £m	Between one and two years £m	Between two and five years £m	Over five years £m
Company				
Borrowings	19.3	6.2	5.8	0.8
Trade and other payables excluding statutory liabilities	538.0	-	-	-
As at 31 December 2013	555.3	6.2	5.8	0.8

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. These objectives are managed at the ultimate UK Group level, Cucina Lux Investments Limited, rather than at a lower Group level.

The overall debt and equity structure of the Company is under the control of the ultimate parent company, Cucina (BC) Luxco S.à r.l.. There are no external capital requirements on the Company. Further details of the share capital of the Company can be found in note 20 of the financial statements.

16 (b) Financial instruments - by category

The accounting policies for financial instruments have been applied to the line items below:

	2014 Loans and receivables £m	2013 Loans and receivables £m
Group		
At 31 December		
Assets as per statement of financial position		
Trade and other receivables	811.4	742.8
Cash and cash equivalents	117.7	134.0
	929.1	876.6

	2014	2013
	Liabilities at fair value through the profit and loss £m	Other financial liabilities £m
Group		
At 31 December		
Liabilities as per statement of financial position		
Financial liabilities - borrowings	-	189.3
Derivative financial instruments	2.4	-
Trade and other payables excluding statutory liabilities	-	555.3
	2.4	744.6

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16. Financial Instruments (continued)

16 (b) Financial instruments - by category (continued)

	2014 Loans and receivables £m	2013 Loans and receivables £m
Company		
At 31 December		
Assets as per statement of financial position		
Trade and other receivables	641.5	572.7
Cash and cash equivalents	67.6	90.9
	709.1	663.6

	2014 Liabilities at fair value through the profit and loss £m	2014 Other financial liabilities £m	2013 Total £m	2013 Other financial liabilities £m
Company				
At 31 December				
Liabilities as per statement of financial position				
Financial liabilities - borrowings	-	29.3	29.3	29.0
Derivative financial instruments	2.4	-	2.4	-
Trade and other payables excluding statutory liabilities	-	566.2	566.2	538.0
	2.4	595.5	597.9	565.0

16 (c). Financial Instruments - numerical disclosures

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group and Company's liabilities that are measured at fair value at 31 December 2014.

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Liabilities				
Cash flow hedges	-	2.4	-	2.4
	-	2.4	-	2.4

The Group and Company does not have any financial instruments that are traded in active markets.

For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Carrying values of derivative financial instruments

	Liabilities 2014 £m	Liabilities 2013 £m
Group and Company		
Cash flow hedges	(2.4)	-
Total current portion	(2.4)	-

Cash flow hedges

During the year the Company entered into a number of fuel commodity swaps to hedge against the risk of the change in the price of diesel on anticipated future purchases. The swaps all have maturity dates in 2015 and they have all been designated as cash flow hedges. As at 31 December 2014 the aggregate amount of losses under these swaps deferred in the cash flow hedging reserve, relating to exposure on these anticipated future transactions is £2.4m. It is anticipated that the purchases will take place during 2015, at which time the amount deferred in equity will be reclassified to profit or loss.

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16. Financial instruments (continued)

16 (c). Financial Instruments - numerical disclosures

Fair values of non-derivative financial assets and liabilities

Where market values are not available, fair values of financial assets and financial liabilities have been calculated by discounting expected future cash flows at prevailing interest rates and by applying year end exchange rates. The book value of short term borrowings is approximate to fair value.

Set out below are numerical disclosures in respect of the Group's financial instruments.

Group	At 31 December 2014		At 31 December 2013	
	Book value £m	Fair value £m	Book value £m	Fair value £m
Primary financial instruments held or issued to finance the Group's operations:				
Short term financial liabilities and current portion of long term borrowings	(21.1)	(21.1)	(25.0)	(25.0)
Other long term borrowings	(168.2)	(162.6)	(173.8)	(185.2)
Trade and other payables	(574.4)	(574.4)	(559.4)	(559.4)
Trade and other receivables	811.4	811.4	742.8	742.6
Cash and cash equivalents	117.7	117.7	134.0	134.0
Retirement benefit obligations	(61.4)	(61.4)	(50.3)	(50.3)

The book values of short-term bank deposits, loans and other borrowings with a maturity of less than one year are assumed to approximate to their fair values. In the case of bank loans and other borrowings due in more than one year the fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current estimated market interest rate available to the Group for similar financial instruments.

Other fair values shown above have been estimated using valuation method level 3 by discounting cash flows at prevailing interest rates.

Company	At 31 December 2014		At 31 December 2013	
	Book value £m	Fair value £m	Book value £m	Fair value £m
Primary financial instruments held or issued to finance the Group's operations:				
Short term financial liabilities and current portion of long term borrowings	(15.2)	(15.2)	(17.8)	(17.8)
Other long term borrowings	(14.1)	(13.1)	(11.2)	(10.4)
Trade and other payables	(572.2)	(572.2)	(541.5)	(541.5)
Trade and other receivables	641.5	641.5	572.7	572.7
Cash and cash equivalents	67.6	67.6	90.9	90.9
Retirement benefit obligations	(35.0)	(35.0)	(23.8)	(23.8)

Borrowing facilities

The Group headed by Brake Bros Limited has undrawn committed borrowing facilities available at 31 December 2014 of £4.1m (2013: £12.5m). These are at floating interest rates and are available until September 2018.

The minimum lease payments under finance leases fall due as follows:

	Group		Company	
	2014 £m	2013 £m	2014 £m	2013 £m
Not later than one year	13.9	16.8	8.4	9.9
Later than one year but not more than five	25.4	24.3	14.7	11.9
More than five years	1.5	1.0	1.2	0.9
Future finance charges on finance leases	40.8	42.1	24.3	22.7
Present value of finance lease liabilities	(5.0)	(4.4)	(3.7)	(3.0)
	35.8	37.7	20.6	19.7

16 (d). Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to our Group risk profile indication based upon information provided by our external credit agencies:

	Group		Company	
	2014 £m	2013 £m	2014 £m	2013 £m
Trade receivables				
Low risk	129.8	143.8	4.9	5.1
Medium risk	55.3	69.8	-	-
High risk	14.1	14.4	-	-
Total trade receivables	199.2	228.0	4.9	5.1

These categories of risk reflect the relative credit risk attributable to our trade receivables.

	Group		Company	
	2014 £m	2013 £m	2014 £m	2013 £m
Cash at bank and short term deposits (see note below)				
AA -	1.5	1.5	-	-
A +	31.3	27.8	-	-
A	79.7	100.0	65.4	90.8
BB +	3.8	4.0	-	-
BBB+	1.4	0.7	-	-
	117.7	134.0	65.4	90.8

The rest of the statement of financial position item 'cash and cash equivalents' is cash in hand.

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17. Retirement benefit obligations

The Group operates a number of pension schemes for its UK employees; the assets of all schemes being held in separate trustee administered funds. These pension schemes are operated by the Company. In addition, in Continental Europe the Group is liable for certain post employment benefits which meet the criteria of a defined benefit plan and these obligations are of an unfunded nature. The UK pension schemes are as follows:

(i) The Brake Bros plc Pension Scheme was closed to existing employees at 31 December 2003. No further benefits are accruing to members subsequent to this date. The scheme is a funded defined benefit pension plan.

The scheme is administered by a separate board of trustees which is legally separate from Brake Bros Limited. The trustees are composed of representatives of both the employer and the members and an independent trustee. The trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets plus the day to day administration of the benefits.

Under the scheme, members are entitled to defined annual pensions on retirement at normal retirement age (typically age 63 or age 65). Benefits are also payable on death and following other events such as early retirement.

Brake Bros plc Pension Scheme retirement benefit obligations up to a maximum amount of £20.0m (2013: £20.0m) are secured by way of a charge over certain property, plant and equipment of the group.

Further details on the profile of the scheme, its funding requirements and risks associated with the scheme are explained later in this note.

(ii) The Brakes Money Purchase Pension Plan was closed to new entrants on 31 March 2013. It is contracted into the state pension scheme and minimum contribution rates are 3% of pensionable salary for members and 4% for employers, with higher employers contributions for managers. Funds are invested with Legal & General Investment Management.

(iii) The Brakes Group Personal Pension Plan was opened on 1 April 2013 and is a qualifying workplace pension scheme that the Group is using to meet the automatic enrolment legislative requirements. It is contracted into the state pension scheme and for auto-enrolment members the contribution rates are 1% of pensionable salary for members and for employers and for elected members has contribution rates of 4% or 5% of pensionable salary for members and from 4% for employers, with higher employers contributions for managers. Funds are invested with Legal & General Investment Management.

The amounts recognised in the statement of financial position for defined benefit plans are set out below:

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Present value of funded obligations	226.4	196.6	226.4	196.6
Present value of unfunded obligations	26.4	28.5	-	-
Fair value of plan assets	(191.4)	(172.8)	(191.4)	(172.8)
Net pension liability recognised in the statement of financial position	61.4	50.3	35.0	23.8

The movement in the retirement benefit obligation during the year is as follows:

	UK 2014 £m	Group Continental Europe 2014 £m	Total Group 2014 £m	UK 2013 £m	Group Continental Europe 2013 £m	Total Group 2013 £m
Retirement benefit obligations						
At 1 January	23.8	26.5	50.3	33.1	24.8	57.9
Exchange adjustment	-	(3.2)	(3.2)	-	(0.1)	(0.1)
Interest expense	1.1	0.9	2.0	1.5	0.9	2.4
Administrative expenses	0.2	-	0.2	0.1	-	0.1
Current service cost	-	0.9	0.9	-	1.0	1.0
Contributions paid in the year	(2.1)	(0.7)	(2.8)	(1.2)	(0.6)	(1.8)
Remeasurements recognised in other comprehensive income	12.0	2.0	14.0	(9.7)	0.5	(9.2)
At 31 December	35.0	26.4	61.4	23.8	26.5	50.3

The movement in the retirement benefit obligation during the year is as follows:

	Company 2014 £m	2013 £m
Retirement benefit obligations		
At 1 January	23.8	33.1
Exchange adjustment	-	-
Interest expense	1.1	1.5
Administrative expenses	0.2	0.1
Current service cost	-	-
Contributions paid in the year	(2.1)	(1.2)
Remeasurements recognised in other comprehensive income	12.0	(9.7)
At 31 December	35.0	23.8

The amounts recognised in the income statement and other comprehensive income for defined benefit plans are set out below:

	UK 2014 £m	Group Continental Europe 2014 £m	Total Group 2014 £m	UK 2013 £m	Group Continental Europe 2013 £m	Total Group 2013 £m
Retirement benefit obligations						
Operating cost						
Service costs:						
- Current service cost	-	0.9	0.9	-	1.0	1.0
- Administrative expenses	0.2	-	0.2	0.1	-	0.1
Total operating costs	0.2	0.9	1.1	0.1	1.0	1.1
Financing cost						
Interest expense	1.1	0.9	2.0	1.5	0.9	2.4
Total income statement charge	1.3	1.8	3.1	1.6	1.9	3.5
Remeasurements recognised in other comprehensive income						
- losses / (gains) from changes in demographic assumptions	(0.4)	2.0	1.6	(0.9)	0.5	(0.4)
- losses from changes in financial assumptions	27.5	-	27.5	5.8	-	5.8
- experience (gains) / losses	(0.7)	-	(0.7)	0.3	-	0.3
- gains on return on scheme assets	(14.4)	-	(14.4)	(14.9)	-	(14.9)
Total amount recognised in other comprehensive income	12.0	2.0	14.0	(9.7)	0.5	(9.2)

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17. Retirement benefit obligations (continued)

	Company 2014 £m	2013 £m
Retirement benefit obligations		
Operating cost		
Service costs:		
- Current service cost	-	-
- Administrative expenses	0.2	0.1
Total operating costs	0.2	0.1
Financing cost		
Interest expense	1.1	1.5
Total income statement charge	1.3	1.6
Remeasurements recognised in other comprehensive income		
- gains from changes in demographic assumptions	(0.4)	(0.9)
- losses from changes in financial assumptions	27.5	5.8
- experience (gains) / losses	(0.7)	0.3
- gains on return on scheme assets	(14.4)	(14.9)
Total amount recognised in other comprehensive income	12.0	(9.7)

The amounts recognised in the income statement for defined contribution plans are set out below:

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Defined contribution schemes	8.3	6.5	6.7	4.8

Reporting at 31 December 2014

The results of the latest funding valuation at 5 April 2013 have been adjusted to the balance sheet date taking account of experience over the period since 5 April 2013, changes in market conditions, and differences in the financial and demographic assumptions. The present value of the defined benefit obligation was measured using the projected unit credit method. The principal financial and demographic assumptions used to calculate liabilities for the periods ended 31 December are set out below:

	2014 %	2013 %
Financial assumptions		
UK assumptions:		
Rate of increase in pensions in payment and deferred pensions	3.0	3.2
Discount rate	3.7	4.6
Inflation assumption RPI	3.0	3.4
Inflation assumption CPI	1.8	2.2
France assumptions:		
Discount rate	2.0	3.0
Salary increase	2.5	2.5
Inflation	2.0	2.0
Sweden assumptions:		
Discount rate	2.8	3.6
Salary increase	2.7	3.0
Inflation	1.5	2.0

Demographic assumptions

Mortality rate UK assumptions:

The mortality assumptions are based on the recent actual mortality experience of Scheme pensioners and a socio-economic analysis of the Scheme membership, and allow for expected future improvements in mortality rates. The average life expectancy in years of a pensioner retiring at age 65 on the date of the statement of financial position is as follows:

	2014	2013
Male	21.4	21.4
Female	23.8	23.8

The average life expectancy in years of a pensioner retiring at age 65, 20 years after the date of the statement of financial position is as follows:

	2014	2013
Male	22.7	22.7
Female	25.4	25.3

Sensitivity to key assumptions

The key assumptions used for IAS 19 are: discount rate, inflation and mortality. If different assumptions were used in the UK, this could have a material effect on the results disclosed. The sensitivity of the retirement benefit obligation to these assumptions is as follows.

- Following a 0.2% pa decrease in the discount rate the deficit would increase by £8.6m from £81.4m to £70.0m.
- Following a 0.2% pa increase in the RPI inflation assumption (with consequential changes in dependent assumptions) the deficit would increase by £5.7m from £81.4m to £87.1m.
- Following a 1 year increase in life expectancy the deficit would increase by £7.2m from £81.4m to £88.6m.

The sensitivity information shown above has been prepared using the same method as adopted when adjusting the results of the latest funding valuation to the date of statement of financial position. This is the same approach as has been adopted in previous periods.

Notes to the financial statements

17. Retirement benefit obligations (continued)

Analysis of movement in present value of retirement benefit obligations during the year is as follows:

Analysis of movement in present value of retirement benefit obligations during the year is as follows:

Analysis of movement in fair value of scheme assets during the year is as follows:

	Company 2014 £m	2013 £m
At 1 January	172.8	154.9
Interest income on scheme assets	7.8	7.3
<i>Remeasurements:</i>		
- gains on return on scheme assets	14.4	14.9
Administrative expenses	(0.2)	(0.1)
Contributions paid by employer	2.1	1.2
Benefits paid	(5.5)	(5.4)
At 31 December	191.4	172.8

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17. Retirement benefit obligations (continued)

The Plan assets are invested in the following asset classes:

	2014		2013	
	£m	Of which not quoted in an active market £m	£m	Of which not quoted in an active market £m
Equities	50.0	-	48.3	-
Property	3.0	3.0	20.3	18.8
Macro orientated	36.6	-	38.8	-
Multi strategy	6.2	-	-	-
Credit/Corporate bonds	36.3	-	27.3	-
Government bonds	39.7	-	2.2	-
Derivatives	2.7	2.6	0.6	0.4
Cash and cash equivalents	16.9	-	35.1	-
At 31 December	191.4	5.6	172.8	19.2

Further details on the Brake Bros plc Pension Scheme

Profile of the scheme

The defined benefit obligation includes benefits for deferred and current pensioners. Broadly, about 71% of the liabilities is attributable deferred pensioners and 29% to current pensioners.

The scheme duration is an indicator of the weighted-average time until benefit payments are made. For the scheme as a whole, the duration is around 19 years reflecting the approximate split of the defined benefit obligation between deferred pensioners (duration of 22 years) and current pensioners (duration of 12 years).

The table below illustrates the profile of projected future benefit payments from the scheme.

Expected maturity analysis of undiscounted pension benefits

At 31 December 2014	Less than one year	Between one and two years	Between two and five years	Over five years
Pension benefits	1%	1%	4%	94%

Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the UK scheme was carried out by a qualified actuary as at 5 April 2013 and showed a deficit of £40.2m. The Group is paying deficit contributions of £1.5m per annum which, along with investment returns from return-seeking assets, is expected to make good this shortfall by 2026. The Group also pays contributions of £0.3m per annum respect of the expenses of administering the scheme. A contribution of £1.8m is expected to be paid by the Group during the year ending 31 December 2015.

Risks associated with the scheme

Asset volatility

The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The scheme holds a significant proportion of growth assets (equities, high yield bonds, property and alternatives) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the scheme's long term objectives.

Changes in bond yields

A decrease in corporate bond yields will increase the value placed on the scheme's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the scheme's bond holdings.

Inflation risk

A significant proportion of the scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The scheme's investment strategy is to partially hedge such inflation risk, meaning that an increase in inflation will also increase the

Life expectancy

The majority of the scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liabilities.

The Group and Trustees have agreed a long-term strategy for reducing investment risk as and when appropriate. This includes diversification of growth assets to reduce volatility and an asset-liability matching policy which aims to reduce the volatility of the funding level of the pension plan by investing in assets such as swaps which perform in line with the liabilities of the plan so as to protect against inflation being higher than expected or market yields being lower than expected.

The UK Government intends to implement legislation which could result in an increase in the value of Guaranteed Minimum Pension for males. This would increase the defined benefit obligation of the plan. At this stage, it is not possible to accurately quantify the impact of this change.

Group actuarial losses of £14.0m (2013: £9.2m gains) were recognised in the year and included in the consolidated statement of comprehensive income. The cumulative amount of actuarial losses included in the consolidated statement of comprehensive income is £57.2m (2013: £43.2m).

The actual gain on plan assets was £22.2m (2013: £22.2m).

18. Provisions for other liabilities and charges

	Group		Company	
	2014 £m	2013 £m	2014 £m	2013 £m
Property dilapidation and onerous lease obligations				
At 1 January	13.2	12.7	10.0	9.1
At 1 January reclassification from accruals	1.0	-	1.0	-
Charged / (credited) to the income statement during the year	2.9	(0.2)	3.5	-
Provisions for property, plant and equipment additions during the year	5.4	1.7	5.4	1.7
Utilised during the year	(0.2)	(1.0)	(0.6)	(0.8)
At 31 December	22.3	13.2	19.3	10.0
Non-current	21.1	12.1	18.1	8.9
Current	1.2	1.1	1.2	1.1
	22.3	13.2	19.3	10.0

Property dilapidation obligations relate to leasehold property held by the group and primarily represent obligations to reinstate property to its original condition at the end of the lease term.

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19. Deferred tax assets

The movement on the deferred tax account is as shown below:

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Deferred tax assets				
At 1 January	27.4	29.3	23.7	25.1
Exchange adjustment	(0.2)	0.1	-	-
Tax credit on cash flow hedges taken directly to other comprehensive income	0.5	-	0.5	-
Tax credit / (charge) on retirement benefit obligations taken directly to other comprehensive income	3.0	(2.8)	2.3	(3.0)
Credited to the income statement in the year	2.1	0.8	2.0	1.6
At 31 December	32.8	27.4	28.5	23.7

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

Group	Retirement benefit obligations £m	Cash flow hedges £m	Capital allowances timing differences £m	Tax losses £m	Other temporary differences £m	Total £m
Deferred tax assets						
At 1 January 2014	8.3	-	18.4	5.7	(5.0)	27.4
At 1 January 2014 reclassification to deferred tax liabilities	-	-	-	-	5.0	5.0
Exchange adjustment	(0.2)	-	-	-	-	(0.2)
Tax credit on cash flow hedges taken directly to other comprehensive income	-	0.5	-	-	-	0.5
Tax credit on retirement benefit obligations taken directly to other comprehensive income	3.0	-	-	-	-	3.0
(Charged) / credited to the income statement in the year	(0.1)	-	(1.9)	3.3	-	1.3
At 31 December 2014	11.0	0.5	16.5	9.0	-	37.0
						Total £m
Deferred tax liabilities						
At 1 January 2014 reclassification from deferred tax assets	-	-	-	-	-	(5.0)
Credited to the income statement in the year	-	-	-	-	-	0.8
At 31 December 2014						(4.2)
Net deferred tax assets at 31 December 2014						32.8

The deferred tax liabilities are in respect of £2.0m (2013: £2.2m) for customer contracts and relationships and brands and other adjustments of £2.2m (2013: £2.8m).

Group	Retirement benefit obligations £m	Cash flow allowances timing differences £m	Tax losses £m	Other temporary differences £m	Total £m
Deferred tax assets					
At 1 January 2013	9.5	19.0	7.0	(6.2)	29.3
Exchange adjustment	-	-	0.1	-	0.1
Tax charge on retirement benefit obligations taken directly to other comprehensive income	(2.8)	-	-	-	(2.8)
Credited / (charged) to the income statement in the year	1.6	(0.6)	(1.4)	1.2	0.8
At 31 December 2013	8.3	18.4	5.7	(5.0)	27.4

Company	Retirement benefit obligations £m	Cash flow hedge £m	Capital allowances timing differences £m	Tax losses £m	Other temporary differences £m	Total £m
Deferred tax assets						
At 1 January 2014	4.8	-	15.8	5.8	(2.7)	23.7
At 1 January 2014 reclassification to deferred tax liabilities	-	-	-	-	2.7	2.7
Tax credit on cash flow hedges taken directly to other comprehensive income	-	0.5	-	-	-	0.5
Tax credit on retirement benefit obligations taken directly to other comprehensive income	2.3	-	-	-	-	2.3
(Charged) / credited to the income statement in the year	(0.1)	-	(1.6)	3.2	-	1.5
At 31 December 2014	7.0	0.5	14.2	9.0	-	30.7
						Total £m
Deferred tax liabilities						
At 1 January 2014 reclassification from deferred tax assets	-	-	-	-	-	(2.7)
Credited to the income statement in the year	-	-	-	-	-	0.5
At 31 December 2014						(2.2)
Net deferred tax assets at 31 December 2014						28.5

The deferred tax liabilities are in respect of £0.7m (2013: £0.9m) for customer contracts and relationships and brands and other adjustments of £1.5m (2013: £1.8m).

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19. Deferred tax assets (continued)

Company	Retirement benefit obligations £m	Capital allowances timing differences £m	Tax losses £m	Other temporary differences £m	Total £m
Deferred tax assets					
At 1 January 2013	7.7	15.3	5.5	(3.4)	25.1
Tax charge on retirement benefit obligations taken directly to other comprehensive income	(3.0)	-	-	-	(3.0)
Credited to the income statement in the year	0.1	0.5	0.3	0.7	1.6
At 31 December 2013	4.8	15.8	5.8	(2.7)	23.7

All of the deferred tax liabilities were available for offset against deferred tax asset.

Deferred tax assets have been recognised in respect of tax losses and on temporary differences giving rise to deferred tax assets, to the extent that it is considered probable, based on internal forecasts, that these assets will be recovered. There are unrecognised deferred tax assets of £0.8m (2013: £7.0m) in respect of unutilised tax losses in the UK. There is no expiry date for these losses. The deferred tax credited to other comprehensive income during the year amounted to £3.0m (2013: £2.8m charge).

20. Share capital

Group and Company	2014 £m	2013 £m
Authorised 58,000,000 (2012: 58,000,000) ordinary shares of 10p	5.8	5.8
Issued and fully paid	Ordinary shares paid of 10p each £m	£m
At 31 December	53,778,540	5.4

21. Reserves

Group - attributable to owners of the parent Company	Retained earnings £m	Hedging £m	Other reserves: Business combinations under common control £m	Other £m	Total £m
At 1 January 2014	579.1	-	(14.1)	12.9	577.9
Cash flow hedges	-	(2.4)	-	-	(2.4)
Taxation on cash flow hedges	-	0.5	-	-	0.5
Retirement benefit obligation actuarial loss	(13.0)	-	-	-	(13.0)
Taxation on retirement benefit obligation actuarial loss	2.7	-	-	-	2.7
Currency translation differences	-	-	-	(4.7)	(4.7)
Profit for the year	61.8	-	-	-	61.8
At 31 December 2014	630.4	(1.9)	(14.1)	8.2	622.6

Group - attributable to owners of the parent Company	Retained earnings £m	Other reserves: Business combinations under common control £m	Other £m	Total £m
At 1 January 2013	472.9	(14.1)	10.5	469.3
Retirement benefit obligation actuarial gain	9.2	-	-	9.2
Taxation on retirement benefit obligation actuarial gain	(2.8)	-	-	(2.8)
Currency translation differences	-	-	2.4	2.4
Profit for the year	99.8	-	-	99.8
At 31 December 2013	579.1	(14.1)	12.9	577.9

Included within other reserves are cumulative exchange gains of £7.2m (2013: £11.9m) and gains on the fair value of cash flow hedges of £1.0m (2013: £1.0m).

Company	Retained earnings £m	Other reserves: Hedging £m	Other £m	Total £m
At 1 January 2014	480.3	-	10.7	491.0
Profit for the year	35.1	-	-	35.1
Cash flow hedges	-	(2.4)	-	(2.4)
Taxation on cash flow hedges	-	0.5	-	0.5
Retirement benefit obligation actuarial loss	(12.0)	-	-	(12.0)
Deferred tax on retirement benefit obligation actuarial loss	2.3	-	-	2.3
At 31 December 2014	505.7	(1.9)	10.7	514.5

Company	Retained earnings £m	Other reserves £m	Total £m
At 1 January 2013	390.8	10.7	401.5
Profit for the year	82.8	-	82.8
Retirement benefit obligation actuarial gain	9.7	-	9.7
Deferred tax on retirement benefit obligation actuarial gain	(3.0)	-	(3.0)
At 31 December 2013	480.3	10.7	491.0

Other reserves include £10.9m (2013: £10.9m) in respect of the differences between the nominal value and fair value of shares issued for the acquisition of subsidiary companies. Also included within other reserves are cumulative exchange losses of £0.2m (2013: £0.2m).

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22. Cash generated from operations

Reconciliation of profit before taxation to cash generated from operations

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
Profit before taxation	75.4	126.2	39.9	98.1
Adjustments for:				
- Finance income	(20.7)	(62.5)	(21.0)	(62.1)
- Finance costs	10.4	10.1	3.1	3.2
Depreciation charges	34.9	37.8	20.4	21.9
Amortisation and impairment of intangibles	11.7	9.4	8.8	6.4
Retirement benefit contributions paid	(2.8)	(1.8)	(2.1)	(1.2)
Loss / (profit) on sale of property, plant and equipment	0.9	(1.9)	2.0	(1.3)
Property, plant and equipment impairment loss	2.3	-	2.3	-
Increase in inventories	(6.8)	(9.6)	(7.2)	(5.1)
(Increase) / decrease in trade and other receivables	(4.4)	(22.6)	5.4	5.0
Increase in trade and other payables	23.0	29.6	13.4	40.6
Cash generated from operations	123.9	114.7	65.0	105.5

23. Employees and directors' emoluments

Average monthly number of people employed by the Group and Company during the year:	Group 2014 Number	2013 Number	Company 2014 Number	2013 Number
Distribution, manufacturing and selling	9,380	9,183	5,937	5,768
Administration	979	910	524	498
	10,359	10,093	6,461	6,264

	Group 2014 £m	2013 £m	Company 2014 £m	2013 £m
The costs incurred in respect of these employees were:				
Wages and salaries	292.4	279.8	182.5	169.3
Social security costs	52.3	49.7	17.5	15.4
Defined benefit pension costs	1.3	1.2	-	-
Defined contribution pension costs (note 17)	8.3	6.5	6.7	4.8
	354.3	337.0	206.7	189.5

Key management compensation

	2014 £'000	2013 £'000
Salaries and short-term benefits	7,300	8,910
Post-employment benefits	345	393
	7,645	9,303

The key management figures given above include directors. The Group considers key management to be those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group.

As part of a management incentive plan certain employees hold 154,291,563 (2013: 155,582,975) A-ZZ ordinary shares and loan notes with a nominal value of £3,354,596 (2013: £3,329,487) in a parent undertaking Cucina Investments (UK) 3 Limited. Certain employees also hold loan notes with a nominal value of £3,146,458 (2013: £3,146,458) in a parent undertaking, Cucina Investments (UK) 2 Limited and 16,742,023 A and B warrants in the subsidiary undertaking Cidron Food Holdings S.à r.l.

The loan notes held by employees in Cucina Investments (UK) 3 Limited accrue interest at 7%. The loan notes held by employees in Cucina Investments (UK) 2 Limited accrued interest at 14.75% until April 2013, when the interest then reduced to 7%.

Directors of the Company hold 101,107,254 (2013: 101,107,254) A-ZZ ordinary shares and loan notes with a nominal value of £1,055,333 (2013: £1,055,333) in a parent undertaking, Cucina Investments (UK) 3 Limited and loan notes with a nominal value of £914,579 (2013: £914,579) in a parent undertaking, Cucina Investments (UK) 2 Limited.

Directors' emoluments

	2014 £'000	2013 £'000
Aggregate emoluments	3,596	3,287
Company pension contributions to money purchase schemes	187	169
Retirement benefits are accruing to 7 (2013: 7) directors under money purchase pension arrangements only.		
Emoluments paid to the highest paid director are as follows:		
Aggregate emoluments and benefits	1,226	748
Company pension contributions to money purchase schemes	59	14

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24. Commitments

(a) Capital commitments

	Group		Company	
	2014	2013	2014	2013
	£m	£m	£m	£m
Contracted for but not provided	29.4	15.8	29.4	15.8

Capital commitments amounting to £4.6m (2013: £10.3m) are in respect of the development of the UK distribution network and land and buildings, £22.6m (2013: £3.2m) is in respect of motor vehicles and £2.2m (31 December 2013: £2.3m) is in respect of plant and machinery, IT hardware and software.

(b) Operating lease commitments

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

	2014		2013	
	Land and buildings	Other	Land and buildings	Other
Group	£m	£m	£m	£m
Within one year	22.9	6.0	20.0	6.1
Between two and five years	83.8	6.4	72.6	8.6
After five years	176.1	-	130.4	0.1
	282.8	12.4	223.0	14.8

	2014		2013	
	Land and buildings	Other	Land and buildings	Other
Company	£m	£m	£m	£m
Within one year	13.1	1.9	9.7	2.0
Between two and five years	51.7	1.1	40.4	2.0
After five years	153.2	-	108.8	-
	218.0	3.0	156.9	4.0

The Company and the Group leases various properties and plant and equipment under non-cancellable operating lease agreements. The leases have various terms and renewal rights. The Company and the Group has also sub-let certain properties under non-cancellable sublease agreements and the total of future minimum lease payments expected to be received by the Group amounts to £nil (2013: £0.1m) and by the Company amounts to £nil (2013: £0.1m).

(c) Other commitments

Senior debt of a parent undertaking Cucina Acquisition (UK) Limited is secured by way of a fixed and floating charge over the assets of the Company and certain other UK assets of the Group.

25. Related party transactions

During the year the Company continued to provide and receive funding to and from other Group Companies, and has also into certain other transactions with other Companies in the Cucina (BC) Luxco S.à r.l. group. Details of these transactions are as follows:

	2014	2013
	£m	£m
Loans owed by parent undertakings	360.3	303.5
Loans owed by subsidiary undertakings	-	0.5
Loans owed to subsidiary undertakings	-	(0.1)
Loans owed to parent undertakings	(8.3)	(9.2)
Amounts owed by parent undertakings	176.9	160.7
Trade and other payables owed to parent undertakings	(77.3)	(70.6)
Trade and other payables owed to group undertakings	(142.1)	(127.3)
Trade and other receivables owed by subsidiary undertakings	98.4	98.6
Interest payable to parent undertakings	(0.7)	(0.7)
Interest payable to subsidiary undertakings	-	-
Interest receivable from subsidiary undertakings	-	0.2
Interest receivable from parent undertakings	20.4	62.5
Sales to subsidiary undertakings	56.5	67.6
Purchases from subsidiary undertakings	18.6	16.4

None of the balances owed to or by parent undertakings, subsidiary undertakings or associates are secured.

As disclosed in note 26 to the financial statements the ultimate controlling parties of the Company are Bain Capital Fund IX E LP and Bain Capital Fund VIII E LP. In addition to the above transactions the Group and Company also purchased management and consulting services and financial and other advisory services from Bain Capital. In 2013 these advisory fees in the Company amounted to £1.5m (2013: £1.7m) included within administrative expenses. At the year end amounts owed to Bain Capital by the Group and Company within trade and other payables for advisory fees amounted to £0.4m (2013: £0.5m).

During the year the Company incurred costs amounting to £0.8m (2013: £0.8m) for payment processing services from WorldPay, a company under the control of Bain Capital. At the year end amounts owed to WorldPay were £nil (2013: £nil).

Key management compensation is disclosed in note 23, retirement benefit obligations are disclosed in note 17.

26. Ultimate parent company and controlling party

The immediate parent undertaking and controlling party is Brake Bros Acquisition Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking is Cucina (BC) Luxco S.à r.l., a private limited company registered in Luxembourg. The ultimate controlling parties of the Company are 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 Cucina Acquisition (UK) Limited and the parent undertaking of the largest UK group to consolidate these financial statements is Cucina Lux Investments Limited. Copies of Cucina Acquisition (UK) 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.

27. Post balance sheet events

On 17 November 2014 the Group announced its intention to enter into a joint venture with Fresh Direct to create a new fresh food Company. Three of the Brakes Group's business, M&J Seafood, Pauleys and Wild Harvest will become part of the joint venture along with Fresh Direct, the new Company will be jointly owned by Cucina Acquisition (UK) Limited and the current owners of Fresh Direct. Competition and Markets Authority approval was received in February 2015 and the deal for the joint venture completed on 23 February 2015. The results of the joint venture will be consolidated in the Group's 2015 financial statements.