

Registered No 4050391

## **Anzco Foods (UK) Limited**

### **Report and Financial Statements**

30 September 2013



**Directors**

M Clarkson  
P Y Loke  
P W Conley

**Auditors**

Ernst & Young LLP  
400 Capability Green  
Luton  
Bedfordshire LU1 3LU

**Bankers**

HSBC Bank Plc  
639 Upper Brentwood Road  
Romford  
Essex RM2 6HT

Bank of Tokyo-Mitsubishi UFJ  
Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9AN

**Registered Office**

32F Bates Business Centre  
Church Road  
Harold Wood  
Romford  
Essex RM3 0JF

## Strategic Review

The directors present their annual report and financial statements for the year ended 30 September 2013

### Principal activity and review of the business

The principal activity continued to be the wholesale supply of meat from New Zealand

The results for the year and the financial position at the year-end were considered satisfactory by the directors of the business

2012/13 saw a volume decrease in the UK of 400MT however chilled sales reached 6,000MT which was a 19% increase compared to 2011/12. As a result of the volume reduction, turnover was down by 6.7% year on year.

Turnover in the Belgium branch was down by 4.6% year on year due to a continuation of slower demand as a result of poor economic conditions.

Prices on the Continent were weak for most of the year, however were improving by year end.

Inventory carried over from last year was all sold with minimal stock being held at year end.

Beef sales were restricted into Continental Europe with an overall volume reduction however sales into the UK increased significantly for both chilled and frozen product.

Logistics were again a challenge with disruption to shipping services being experienced at several key times during the year.

Key customer relationships were maintained and sales increased to both key chilled lamb accounts.

With a serious focus on cash collection and monitoring of customers financial health, no bad debts were incurred.

### Principal risks and uncertainties

- Key customers in Continental Europe continue to operate in a conservative way due to the uncertain economic situation. Gaining forward commitments in this environment has been and remains a challenge.
- Limited livestock availability is expected to result in increased price pressure which will restrict margin opportunity.
- Increasing shipping transit times is expected to impact on new chilled sales opportunities.

### Future developments

- Continue to differentiate our business by working closely with our key customers when decisions are made on development and investment,
- Further develop our compelling offer in the areas of product range, quality service and logistics,
- Leverage off the company's current brand offering in key markets, and
- Develop growth opportunities with new value added products.

On behalf of the Board

M Clarkson  
Director  
Date



19 March 2014

## Directors' report

The directors present their annual report and financial statements for the year ended 30 September 2013

### Results and dividends

The results for the year are set out on page 7

A dividend of £31 000 (2012 nil) was paid in the year. The directors recommend that a final dividend of £1.84 per share be paid in December 2013.

The Company continued to maintain a branch office in Belgium to service customers in Europe outside the UK.

### Going Concern

The Company has a solid track record and considerable financial resources together with long standing relationships with key clients and suppliers. As a consequence the directors believe that the Company is well placed to manage its business risks successfully. Looking forward budgets and business plans have been put together in detail for the coming year and the long term strategy of the company includes continuation of the business in the UK and Europe. The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### Directors

The directors who served the company during the year were as follows:

M Clarkson

P Y Loke

G R Parker (resigned 18 January 2013)

P W Conley (appointed 18 January 2013)

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

Ernst & Young LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

On behalf of the Board

M Clarkson

Director

Date



19 March 2014

## Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report, strategic report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare an annual report and financial statements for each financial year. Under that law the directors have elected to prepare the annual report and financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the annual report or financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the annual report and financial statements, and
- prepare the annual report and financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# **Independent auditors' report**

**to the members of Anzco Foods (UK) Limited**

We have audited the financial statements of Anzco Foods (UK) Limited for the year ended 30 September 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

## **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.

## Independent auditors' report

to the members of Anzco Foods (UK) Limited (continued)

### 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, 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

Ernst & Young LLP

John Dervley (Senior statutory auditor)

for and on behalf of Ernst & Young LLP Statutory Auditor

Luton

Date 20 March 2014

## Profit and loss account

for the year ended 30 September 2013

	Notes	2013 £	2012 £
<b>Turnover</b>	2	79 654 059	82 766 658
Cost of sales		(76,771,091)	(80,088,972)
<b>Gross profit</b>		<u>2 882,968</u>	<u>2,677,686</u>
Distribution costs		(935,675)	(976,769)
Administrative expenses		(1,318,901)	(1,590,513)
<b>Operating profit</b>	3	<u>628,392</u>	<u>110,404</u>
Interest receivable	6	1 370	959
Interest payable	7	(122,193)	(1,905)
<b>Profit on ordinary activities before taxation</b>		<u>507,569</u>	<u>109 458</u>
Tax on profit on ordinary activities	8	(140,439)	(47,039)
<b>Profit for the year</b>		<u><u>367,130</u></u>	<u><u>62 419</u></u>

## Statement of total recognised gains and losses

for the year ended 30 September 2013

There are no recognised gains or losses other than those passing through the profit and loss account



## Balance sheet

at 30 September 2013

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	10	8,351	25 979
<b>Current assets</b>			
Stocks	11	5 998,077	9,773 904
Debtors	12	3,712,263	4 645,443
Cash at bank and in hand		1,459,785	2,947,025
		<u>11 170,125</u>	<u>17,366,372</u>
<b>Creditors</b> amounts falling due within one year	13	(4,337,717)	(10,887,722)
<b>Net current assets</b>		<u>6,832,408</u>	<u>6 478 650</u>
<b>Total assets less current liabilities</b>		<u>6,840,759</u>	<u>6 504,629</u>
<b>Capital and reserves</b>			
Called up share capital	15	100,000	100 000
Profit and loss account	16	6,740,759	6,404,629
<b>Shareholders' funds</b>	17	<u>6 840,759</u>	<u>6,504,629</u>

The financial statements were approved by the Board on and signed on its behalf by

M Clarkson

Director

Date



19 March 2014

Reg no 4050391

**Statement of cash flows**

for the year ended 30 September 2013

	Notes	2013 £	2012 £
<b>Net cash inflow/(outflow) from operating activities</b>	18(a)	3 791,534	(1 053,999)
<b>Returns on Investments and servicing of finance</b>			
Interest received		1 370	959
Interest paid		(122,193)	(1 905)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(120,823)	(946)
<b>Taxation</b>		(100,590)	84 890
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		-	(3,406)
<b>Net cash outflow from capital expenditure</b>		-	(3,406)
<b>Equity dividends paid</b>	9	(31 000)	-
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>	18(b)	3 539 121	(973,461)
<b>Financing</b>			
Net movement in short term loans	18(c)	(5 026 361)	2,480 835
<b>Net cash inflow/(outflow) from financing</b>		(5 026 361)	2 480 835
<b>Increase/(decrease) in cash in the year</b>		(1,487,240)	1,507,374

## Notes to the financial statements

at 30 September 2013

### 1. Accounting policies

#### ***Basis of preparation***

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

The financial statements are prepared under the historical cost convention

#### ***Turnover***

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### ***Tangible fixed assets and depreciation***

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings and equipment - 3 years straight line

#### ***Leasing***

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

#### ***Stock***

Stock is valued at the lower of cost and net realisable value

#### ***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

#### ***Deferred taxation***

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or right to pay less or to receive more, tax with following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### ***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

## Notes to the financial statements

at 30 September 2013

### 2. Turnover

Turnover, which is stated net of value added tax represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report

An analysis of turnover by geographical market is given below

	2013 £	2012 £
UK	49,597,207	53,153,221
Rest of Europe	30,056,852	29,613,437
	<u>79,654,059</u>	<u>82,766,658</u>

### 3. Operating profit

This is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of owned fixed assets	17,783	21,861
Operating lease rentals – plant and machinery	54,473	54,427
– other assets	40,330	42,738
Auditors remuneration – statutory audit services	15,000	16,000
(Profit)/Loss on foreign exchange transactions	(134,296)	259,245
	<u></u>	<u></u>

### 4. Directors' emoluments

None of the Directors received any emoluments for their services to the company during the current or prior years. The directors are also directors of the ultimate parent company Anzco Foods Limited and received remuneration from that company. No specific recharge is made by Anzco Foods Limited, in respect of their qualifying services to Anzco Foods UK Limited and therefore there are no directors emoluments disclosed.

## Notes to the financial statements

at 30 September 2013

### 5. Staff costs

	2013	2012
	£	£
Wages and salaries	603,175	571,380
Social security costs	116,247	103,552
Other pension costs	3,444	3 518
	<u>722,866</u>	<u>678 450</u>

The average monthly number of employees during the year was as follows

	2013	2012
	No	No
Administration	10	10
Directors	3	3
	<u>13</u>	<u>13</u>

### 6. Interest receivable

	2013	2012
	£	£
Bank interest	1 370	959
	<u>1,370</u>	<u>959</u>

### 7 Interest payable

	2013	2012
	£	£
Bank loans and overdrafts	122,193	1,905
	<u>122,193</u>	<u>1,905</u>

## Notes to the financial statements

at 30 September 2013

### 8 Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2013 £	2012 £
<i>Current tax</i>		
UK corporation tax on the profit for the year	127,156	35,841
Foreign tax	13,283	11,198
	<u>140,439</u>	<u>47,039</u>
Under/(over) provision for previous periods	-	-
Total current tax (note 8(b))	<u>140,439</u>	<u>47,039</u>

(b) Factors affecting tax charge for the period

	2013 £	2012 £
Profit on ordinary activities before tax	507,569	109,458
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.499% (2012 – 25%)	<u>119,273</u>	<u>27,365</u>
<i>Effects of</i>		
Expenses not deductible for tax purposes	3,970	4,228
Capital allowances in advance of depreciation	3,915	4,248
Foreign tax adjustments	13,283	11,198
Other adjustments to tax charge	(2)	-
Current tax for the period (note 8(a))	<u>140,439</u>	<u>47,039</u>

If provision was made for deferred taxation in relation to timing differences the tax charge for the year would increase by £745 (2012 – increase £4,542)

### 9. Dividends

	2013 £	2012 £
Ordinary – interim paid	<u>31,000</u>	<u>-</u>

## Notes to the financial statements

at 30 September 2013

### 10. Tangible fixed assets

	<i>Fixtures, fittings and equipment</i> £
Cost	
At 30 September 2012	153 317
Additions	-
Exchange differences	6 898
At 30 September 2013	160 215
Depreciation	
At 30 September 2012	127 338
Charge for the year	17,783
Exchange differences	6 743
At 30 September 2013	151,864
Net book value	
At 30 September 2013	8 351
At 30 September 2012	25 979

### 11 Stocks

	2013 £	2012 £
Finished goods and goods for resale	5 998,077	9,773,904

### 12. Debtors

	2013 £	2012 £
Trade debtors	2 286,564	3 955,914
Group undertakings	1 011,787	435,357
Other debtors	413,912	254,172
	3 712 263	4 645,443

## Notes to the financial statements

at 30 September 2013

### 13. Creditors: amounts falling due within one year

	2013	2012
	£	£
Bank loans and overdrafts	1 261,564	6 287,925
Trade creditors	118 397	98,211
Group undertakings	2 632,232	4,243,055
Corporation tax	86 887	47,039
Other taxes and social security costs	11 250	29,480
Accruals and deferred income	227,387	182,012
	<u>4 337,717</u>	<u>10,887 722</u>
	<u>1 261 564</u>	<u>6 287,975</u>

Bank loans and overdrafts are secured by a limited guarantee provided by the company's parent undertaking

### 14. Pension costs

*Defined contribution*

	2013	2012
	£	£
Contributions payable by the company for the year	<u>3 444</u>	<u>3,518</u>

### 15. Issued share capital

	2013	2012
	£	£
<i>Allotted, called up and fully paid</i>		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>



## Notes to the financial statements

at 30 September 2013

### 16. Movements on profit and loss account

	<i>Profit and and loss £</i>
Balance at 30 September 2012	6 404,629
Profit for the period	367,130
Dividends paid	(31 000)
At 30 September 2013	<u>6,740,759</u>

### 17. Reconciliation of shareholders' funds

	<i>2013 £</i>	<i>2012 £</i>
Profit for the financial year	367,130	62,419
Dividends	(31,000)	-
Net addition to shareholders' funds	<u>336,130</u>	<u>62 419</u>
Opening shareholders' funds	6 504,629	6,442,210
Closing shareholders' funds	<u>6 840,759</u>	<u>6,504,629</u>

### 18. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	<i>2013 £</i>	<i>2012 £</i>
Operating profit	628,392	110,404
Depreciation of tangible assets	17,783	21,861
Decrease/(Increase) in stocks	3,775,827	(815,728)
Decrease/(Increase) in debtors	933,180	(200 767)
(Decrease) in creditors within one year	(1 563,493)	(177,550)
Net effect of foreign exchange differences	(155)	7 781
Net inflow/(outflow) cash from operating activities	<u>3,791,534</u>	<u>(1,053,999)</u>

## Notes to the financial statements

at 30 September 2013

### 18. Notes to the statement of cash flows (continued)

#### (b) Analysis of net debt

	<i>At</i> 30 September 2012 £	<i>Cash</i> <i>flow</i> £	<i>At</i> 30 September 2013 £
<i>Net cash</i>			
Cash at bank and in hand	2 947,025	(1,487,240)	1,459,785
<i>Debt</i>			
Debts falling due within one year	(6,287 925)	5,026,361	(1,261,564)
<b>Net debt</b>	<b>(3,340,900)</b>	<b>3 539,121</b>	<b>198,221</b>

#### (c) Reconciliation of net cash flow to movement in net debt

	2013 £	2012 £
Increase/(decrease) in cash in the year	(1,487 240)	1,507 374
Cash inflow/(outflow) from change in debt	5 026,361	(2 480,835)
<b>Movement in net debt</b>	<b>3 539,121</b>	<b>(973,461)</b>
Opening net debt	(3,340,900)	(2,367,439)
<b>Closing net debt</b>	<b>198,221</b>	<b>(3,340 900)</b>

#### (d) Liquid resources

The company classifies as liquid resources any resource that can be turned into cash within one year

### 19. Financial commitments

At 30 September 2013 the company had annual commitments under non-cancellable operating leases as set out below

	2013		2012	
	<i>Land and</i> <i>buildings</i> £	<i>Other</i> £	<i>Land and</i> <i>buildings</i> £	<i>Other</i> £
Operating leases which expire				
Within one year	14 195	10,004	14,195	-
In two to five years	11,939	36,886	13 308	46,388
	<b>26 134</b>	<b>46 890</b>	<b>27 503</b>	<b>46 388</b>

### 20 Related party transactions

As a wholly owned subsidiary of Anzco Foods Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other wholly owned members of the group headed by Anzco Foods Limited

## Notes to the financial statements

at 30 September 2013

### 21. Ultimate parent undertaking and controlling party

During this and the preceding year the company's immediate parent undertaking was ANZCO Foods Limited, a company registered in New Zealand. It has included the company in its group financial statements, copies of which are available from Unit 2, Sir William Pickering Drive, Christchurch, New Zealand.

By virtue of its shareholding the company's ultimate parent undertaking was also ANZCO Foods Limited.