

Registered number: 04050391

**ANZCO FOODS (UK) LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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# **ANZCO FOODS (UK) LIMITED**

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# ANZCO FOODS (UK) LIMITED

## COMPANY INFORMATION

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**Directors**

P Y Loke  
P W Conley

**Registered number**

04050391

**Registered office**

Unit 7 Bates Industrial Estate  
Church Road  
Harold Wood  
Romford  
Essex  
RM3 0HU

**Independent auditor**

Ernst & Young LLP  
Chartered Accountants & Statutory Auditor  
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

Mizuho Bank Ltd  
Bracken House  
One Friday Street  
London  
EC4M 9JA

# **ANZCO FOODS (UK) LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their report and the audited financial statements for the year ended 31 December 2016.

### **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 period and the financial position at the year-end were considered satisfactory by the directors of the business.

ANZCO UK Ltd saw an overall volume decrease in the UK to 9,402MT which was a 15% decrease compared to 2014/15, however 14/15 was a 15 month year following the realignment of the company balance date to 31 December. 2014/15 being a 15 month period also reflects the decrease in turnover by 17.8% turnover in the Belgium branch was up by 3.59%.

Stock carried over from the previous period was all sold with minimal stock being held at the year end.

Beef sales were steady into Continental Europe including consolidation of sales of Japanese beef sourced through Itoham.

Logistics were again a challenge with shipping services being erratic at times during the year.

Key customer relationships were maintained and several new chilled lamb accounts were served.

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

ANZCO UK recognises its responsibilities under the Modern Slavery Act 2015 and management has prepared a statement outlining the activity carried out in this area.

### **Principal risks and uncertainties**

- Volatility in Continental Europe continues to mean customers 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 and increasing competition from other markets is expected to contribute to increased price pressure which will restrict margin opportunity.
- Increasing shipping transit times is expected to impact on new chilled sales opportunities.

# ANZCO FOODS (UK) LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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### Future Developments

- Continue to differentiate our business by working closely with our key customers when decisions are made on development and investment;
- Increase sales to new chilled accounts;
- Further develop our compelling offer in the areas of product range, quality, service and logistics;
- Leverage of the company's new supply relationships; and
- Develop growth opportunities with new value added products.

This report was approved by the board on 20/07/17 and signed on its behalf.

  
.....  
**P Conley**  
Director

20/07/17.

# **ANZCO FOODS (UK) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their report and the audited financial statements for the year ended 31 December 2016.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

### **Results and dividends**

The results for the period are set out on page 8.

Dividends totalling £388,409 (50% of pre-tax profit for 2016) were paid in April 2017 as agreed by Anzco Foods directors. No dividends were paid during the period 2016.

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

# ANZCO FOODS (UK) LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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### 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 during the year were:

M Clarkson (terminated 31/03/17)

P Y Loke

P W Conley

### Financial Risks

The financial risk management objectives and policies of the Company, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used; and the exposure of the Company to price risk, credit risk, liquidity risk and cash flow risk, unless such information is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

### Matters covered in the strategic report

Details of any significant future developments, the Company's principal activities and business review and the principal risks and uncertainties to which the Company is exposed are included in the Strategic Report.

### 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.

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the board on 20/07/17 signed on its behalf.

  
P Conley  
Director

20/07/17

# **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ANZCO FOODS (UK) LIMITED**

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We have audited the financial statements of Anzco Foods (UK) Limited for the year ended 31 December 2016, set out on pages 8 to 22. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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.



# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ANZCO FOODS (UK) LIMITED

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## 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 31<sup>st</sup> December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland", 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, based on the work undertaken in the course of the audit:

- ▶ 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.
- ▶ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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**

Chartered Accountants  
Statutory Auditor

400 Capability Green  
Luton  
Bedfordshire  
LU1 3LU

Date: *20 July 2017*

## ANZCO FOODS (UK) LIMITED

### STATEMENT OF COMPREHENSIVE INCOME INCLUDING THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	Period ended 2015 £
Turnover	4	77,618,094	85,777,433
Cost of sales		(74,338,150)	(82,493,930)
<b>Gross profit</b>		<b>3,279,944</b>	<b>3,283,503</b>
Distribution costs		(1,269,216)	(1,196,373)
Administrative expenses		(1,235,603)	(1,816,838)
<b>Operating profit</b>	5	<b>775,125</b>	<b>270,292</b>
Interest receivable and similar income	8	1,692	812
<b>Profit before tax</b>		<b>776,817</b>	<b>271,104</b>
Tax on profit	9	(194,193)	(85,622)
<b>Profit for the year/period</b>		<b><u>582,624</u></b>	<b><u>185,482</u></b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income including the profit and loss account.

There was no other comprehensive income for 2016 (2015 : £NIL).

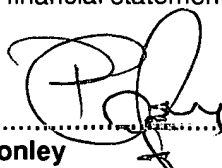
The notes on pages 13 to 22 form part of these financial statements.

# ANZCO FOODS (UK) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible fixed assets	10		12,645 -		16,785
			<u>12,645 -</u>		<u>16,785</u>
<b>Current assets</b>					
Stocks	11	8,617,953		7,008,623	
Debtors: amounts falling due within one year	12	5,855,834		4,749,426	
Cash and cash equivalents	13	3,261,973		5,780,355	
		<u>17,735,760</u>		<u>17,538,404</u>	
Creditors: amounts falling due within one year	14	(10,243,153)		(10,632,561)	
<b>Net current assets</b>			<u>7,492,607</u>		<u>6,905,843</u>
<b>Total assets less current liabilities</b>			<u>7,505,252</u>		<u>6,922,628</u>
<b>Net assets</b>			<u><u>7,505,252</u></u>		<u><u>6,922,628</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		100,000		100,000
Profit and loss account	17		7,405,252		6,822,628
			<u><u>7,505,252</u></u>		<u><u>6,922,628</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


  
 ..... 20/07/17

**P Conley**  
Director

Company Registration Number: 04050391

The notes on pages 13 to 22 form part of these financial statements.

# ANZCO FOODS (UK) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	100,000	6,822,628	6,922,628
Profit for the year	-	582,624	582,624
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>582,624</b>	<b>582,624</b>
<b>Dividends</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2016</b>	<b>100,000</b>	<b>7,405,252</b>	<b>7,505,252</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2014	100,000	6,637,146	6,737,146
Profit for the period	-	185,482	185,482
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>185,482</b>	<b>185,482</b>
<b>Dividends</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2015</b>	<b>100,000</b>	<b>6,822,628</b>	<b>6,922,628</b>

The notes on pages 13 to 22 form part of these financial statements.

# ANZCO FOODS (UK) LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	Period ended 2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year/period	582,624	185,482
<b>Adjustments for:</b>		
Depreciation of tangible assets	8,282	4,481
Taxation	194,193	85,622
Increase in stocks	(1,609,330)	(2,622,309)
Increase in debtors	(1,080,955)	61,721
Increase in amounts owed by groups	(25,451)	(134,912)
Increase in creditors	170,899	(80,517)
Decrease in amounts owed to groups	(91,677)	(668,940)
Corporation tax paid	(154,048)	(56,792)
<b>Net cash generated from operating activities</b>	<b>(2,005,463)</b>	<b>(3,226,164)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(3,018)	(14,919)
Interest received	1,692	812
Exchange difference	(1,124)	22
<b>Net cash from investing activities</b>	<b>(2,450)</b>	<b>(14,085)</b>
Carried forward	<b>(2,007,913)</b>	<b>(3,240,249)</b>

# ANZCO FOODS (UK) LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	Period ended 2015 £
Brought forward	(2,007,913)	(3,240,249)
New secured loans	(508,777)	5,364,313
Interest received	(1,692)	(812)
<b>Net cash used in financing activities</b>	<b>(510,469)</b>	<b>5,363,501</b>
Net increase in cash and cash equivalents	(2,518,382)	2,123,252
Cash and cash equivalents at beginning of year/period	5,780,355	3,657,103
<b>Cash and cash equivalents at the end of year/period</b>	<b><u>3,261,973</u></b>	<b><u>5,780,355</u></b>
<b>Cash and cash equivalents at the end of year/period comprise:</b>		
Cash at bank and in hand	3,261,973	5,780,355
	<b><u>3,261,973</u></b>	<b><u>5,780,355</u></b>

The notes on pages 13 to 22 form part of these financial statements.

# **ANZCO FOODS (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1. Company information**

Anzco Foods (UK) Limited is a company domiciled in England and Wales, registration number 04050391. The registered office is Unit 7 Bates Industrial Estate, Romford, RM3 0HU.

### **2. Accounting policies**

#### **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, the Companies Act 2006 and FRC abstracts.

This is the first year in which the financial statements have been prepared under FRS 102. The date of transition is 1 October 2014. Information on the impact of first-time adoption of FRS 102 is given in note 22.

The period ended 2015 was a 15 month period under UK GAAP. A longer accounting period was adopted for group reporting purposes. This may result in comparative amounts not being entirely comparable.

The financial statements are presented in Sterling (£) which is also the functional currency and are rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### **Going concern**

Having considered the company's forecasts and projections, the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least 12 months from the date of approving these financial statements. For this reason the directors continue to adopt the going concern basis on preparing the accounts.

#### **Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured usually on delivery. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### **Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Fixtures and fittings	- 3 years straight line
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The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

# **ANZCO FOODS (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **2. Accounting policies (continued)**

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### **Debtors**

Short term debtors are measured at transaction price, less any impairment or provision for irrecoverable amounts.

#### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### **Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and related party balances.

#### **Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **Foreign currency transactions and balances**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### **Dividends**

Equity dividends are recognised when they become legally payable.

#### **Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.



# ANZCO FOODS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 2. Accounting policies (continued)

#### Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

#### Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

#### Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

#### Current and deferred taxation

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- 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 assets are recognised 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.

# ANZCO FOODS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. Two such areas are determining whether provisions are required against stocks or debtors. The estimates and assumptions are based on experience and other factors that are considered to be relevant.

### 4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2016 £	Period ended 2015 £
United Kingdom	43,347,494	52,694,743
Rest of Europe	34,270,600	33,082,690
	<u>77,618,094</u>	<u>85,777,433</u>

### 5. Operating profit

The operating profit is stated after charging:

	2016 £	Period ended 2015 £
Depreciation of tangible fixed assets	8,282	4,481
Operating lease rentals:		
- plant and machinery	127,507	66,635
- other assets	40,336	57,804
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	21,391	5,752
Fees payable to the Company's auditors and its associates for other services to the group	13,112	11,951
Exchange differences	(385,982)	168,131
Defined contribution pension cost	<u>5,729</u>	<u>9,547</u>

# ANZCO FOODS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 6. Employees

Staff costs were as follows:

	2016 £	Period ended 2015 £
Wages and salaries	811,913	830,069
Social security costs	104,472	119,378
Cost of defined contribution scheme	5,729	9,547
	<u>922,114</u>	<u>958,994</u>

The average monthly number of employees, including the directors, during the year/period was as follows:

	2016 No.	Period ended 2015 No.
Administration	12	11
Directors	3	3
	<u>15</u>	<u>14</u>

### 7. Directors' remuneration

None of the directors received any emoluments for their services to the company during the current or prior period. 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.

### 8. Interest receivable

	2016 £	Period ended 2015 £
Bank interest	1,692	812
	<u>1,692</u>	<u>812</u>

# ANZCO FOODS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 9. Taxation

	2016 £	Period ended 2015 £
<b>Corporation tax</b>		
Current tax on profits for the year/period	159,168	56,906
	<u>159,168</u>	<u>56,906</u>
Double taxation relief	(50,071)	(43,095)
	<u>109,097</u>	<u>13,811</u>
<b>Foreign tax</b>		
Foreign tax on income for the year/period	85,096	71,811
	<u>85,096</u>	<u>71,811</u>
<b>Total current tax</b>	<u>194,193</u>	<u>85,622</u>

### Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.398%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>776,817</u>	<u>271,104</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.398%)	155,363	55,300
<b>Effects of:</b>		
Non deductible expenses	2,870	3,923
Depreciation add back	1,656	914
Capital allowances	(722)	(3,229)
Foreign tax adjustments	35,025	28,716
Other tax adjustments	1	(2)
<b>Total tax charge for the year/period</b>	<u>194,193</u>	<u>85,622</u>

If a provision was made for deferred taxation in relation to timing differences, the tax charge for the period would increase by £1,692 (2015: increase £2,566).

# ANZCO FOODS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 9. Taxation (continued)

#### Factors that may affect future tax charges

It was announced in the March 2016 budget that the main rate of tax will reduce to 19% for financial years from 2017 and to 17% for financial years from 2020.

### 10. Tangible fixed assets

	Fixtures and fittings £
<b>Cost or valuation</b>	
At 1 January 2016	120,342
Additions	3,018
Disposals	-
Exchange adjustments	-
At 31 December 2016	<u>123,360</u>
<b>Depreciation</b>	
At 1 January 2016	103,557
Charge for the year	8,282
Disposals	-
Exchange adjustments	(1,124)
At 31 December 2016	<u>110,715</u>
<b>Net book value</b>	
At 31 December 2016	<u>12,645</u>
At 31 December 2015	<u>16,785</u>

# ANZCO FOODS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 11. Stocks

	2016	2015
	£	£
Finished goods and goods for resale	8,617,953	7,008,623
	<u>8,617,953</u>	<u>7,008,623</u>

Stock of £73,135,622 were expensed within the year. (2015: £81,806,594).

### 12. Debtors

	2016	2015
	£	£
Trade debtors	5,494,553	4,423,286
Amounts owed by group undertakings	280,550	255,099
Other debtors	80,731	71,041
	<u>5,855,834</u>	<u>4,749,426</u>

### 13. Cash and cash equivalents

	2016	2015
	£	£
Cash at bank and in hand	3,261,973	5,780,355
	<u>3,261,973</u>	<u>5,780,355</u>

### 14. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Bank loans	8,410,060	8,918,837
Trade creditors	380,386	271,652
Amounts owed to group undertakings	967,777	1,059,454
Corporation tax	68,975	28,830
Accruals and deferred income	415,955	353,788
	<u>10,243,153</u>	<u>10,632,561</u>

#### Secured Loans

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

# ANZCO FOODS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 15. Financial instruments

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	5,855,834	4,749,638
	<u>5,855,834</u>	<u>4,749,638</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(9,834,463)	(10,603,943)
	<u>(9,834,463)</u>	<u>(10,603,943)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to group undertakings and accruals.

Need to disclose further information on loan, e.g. interest rate, maturity and any restrictions.

### 16. Share capital

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Authorised, allotted, called up and fully paid</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

### 17. Reserves

#### Called-up Share Capital

Represents the nominal value of shares that have been issued.

#### Profit and loss account

The profit and loss account represents the company's accumulated profits which are available for distribution to the members.

# ANZCO FOODS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £5,729 (2015: £9,547). Contributions totalling £5,729 (2015: £9,547) were payable to the fund at the balance sheet date.

### 19. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	93,500	5,356
Later than 1 year and not later than 5 years	70,476	79,463
Later than 5 years	-	-
	<u>163,976</u>	<u>84,819</u>

### 20. Related party transactions

As a wholly owned subsidiary of Anzco Foods Limited, the Company has taken advantage of the exemption provided in Section 33 of FRS 102, not to disclose transactions with wholly owned members of the group headed by Anzco Foods Limited.

The company continued trading with Itoham Foods Inc., a company registered in Japan. During the period Itoham Foods Inc. became the majority shareholder in, and has representatives on, the Board of the ultimate parent company. In the period, purchases on an "arm's length" basis were £885,974 (2015: £28,114) with £46,001 outstanding on the balance sheet date.

#### Key management personnel remuneration

During the period key management personnel received remuneration of £206,514 (2015\*: £281,729).

\*2015 includes October to December 2014.

### 21. Ultimate parent undertaking and controlling party

During this year and the preceding period 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 1, Sir William Pickering Drive, Christchurch, New Zealand.

By virtue of shareholding the Company's ultimate parent undertaking was also Anzco Foods Limited.

### 22. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.