

CP Foods (UK) Limited

**Annual report and consolidated
financial statements**

Registered number 4307559

Year ended 31 December 2013

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Strategic Report

Principal activities

CP Foods (UK) Limited is the UK subsidiary of the CPF Group in Thailand. The principal activity of the Company and its subsidiaries is that of food importers and distributors.

Business review and future prospects

The directors believe the results for the year show a satisfactory performance.

The Company continued its investment into the convenience snacking sector and saw its first sales in this area during the year. 2014 should see further developments and growth within this market.

Worldwide disease in warm water prawns created a difficult year for supply and as a consequence, sales of these products were affected. Although some progress has been made in eradicating this problem, the company still predicts a difficult year for prawns in terms of production and supply.

Additionally, the company will continue to widen its offer to customers at its packing facility at Newmarket.

Key performance indicators

	2013	2012
Turnover (£'000)	132,667	128,689
Gross Margin % (being Gross Profit divided by Turnover)	12.7%	12.3%
Administrative Expenses (£'000)	14,339	12,493
Net profit (being profit on ordinary activities before taxation (£'000))	2,004	2,765

Principal risks and uncertainties

The financial risks of the Company and their management are described below.

Legislative risk

The Company and Group are subject to EU quota legislation on poultry imported from outside of the EU and any requirements, either financial or non-financial, could affect future performance.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of movements in exchange rates, changes in credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that is described below.

Exchange rate risk

The Company may from time-to-time use derivative financial instruments to manage exchange rate risk where it has significant exposure in a foreign currency.

Credit risk

The Company insures the majority of its customers against the risk of them failing. In exceptional circumstances, after thorough consideration of the credit history of an individual customer, the Company may sell to a customer outside of the credit risk insurance policy.

Strategic Report *(continued)*

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Interest rate cash flow risk

The Company factors the cost of finance into all of its transactions. With interest rates having remained stable for a number of years and no obvious indications that this will change in the short to medium term, the Company feels their exposure to material interest rate changes is low.

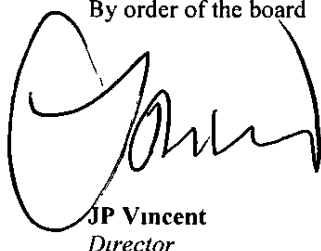
Dividends

Dividends paid during the year comprise a final dividend of £1,028,500 in respect of the year ended 31 December 2012 (2012 in respect of 2011 £1,106,000).

Political and charitable contributions

During the year, the Company made charitable donations of £24,907 (2012 £19,888). The Company made no political donations in either the current or preceding year. The company allocates a certain percentage of its annual profit for charitable causes. The distribution of these monies is decided on by the employees with the majority of funds going to local charities around the company's sites at Hartlebury and Newmarket.

By order of the board



JP Vincent
Director

25th March 2014

Directors' Report

The directors present their annual report and consolidated financial statements for the year ended 31 December 2013. In accordance with Section 414C of the Companies Act 2006, information that is otherwise required to be contained in the Directors' Report has been disclosed in the Strategic Report.

Principal activities

CP Foods (UK) Limited is the UK subsidiary of the CPF Group in Thailand. The principal activity of the Company and its subsidiaries is that of food importers and distributors.

Directors

The directors who held office during the year were

P Anuchiracheeva (resigned 9 May 2013)
RJ Stokes
MJ Cheadle
De-Yi Shih
C Britton
RR Miller
JP Vincent
P Ohmpornnuwat
P Chirakitcharern
P Chalongchaichan
S Lasomboon
S Yingchankul (appointed 9 May 2013)

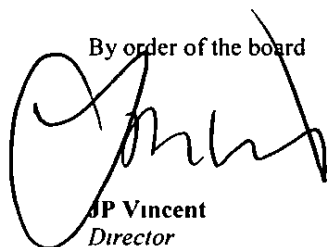
Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board



JP Vincent
Director

Avon House
Hartlebury Trading Estate
Hartlebury
Near Kidderminster
Worcestershire
DY10 4JB

25th March 2014

Statement of directors' responsibilities in respect of the Strategic Report and Directors' Report and the financial statements

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of CP Foods (UK) Limited

We have audited the financial statements of CP Foods (UK) Limited for the year ended 31 December 2013 set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK 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

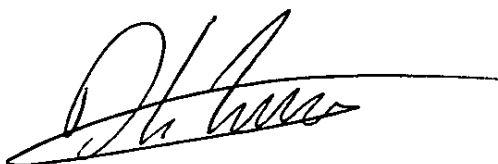
In our opinion the information given in the Strategic Report, the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of CP 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 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



Darren Turner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

25 March 2014

Consolidated Profit and Loss Account
for the year ended 31 December 2013

	<i>Note</i>	2013 £000	2012 £000
Turnover	2	132,667	128,689
Cost of sales		(115,864)	(112,888)
Gross profit		16,803	15,801
Administrative expenses		(14,339)	(12,493)
Operating profit		2,464	3,308
Interest payable and similar charges	6	(460)	(543)
Profit on ordinary activities before taxation	3	2,004	2,765
Tax on profit on ordinary activities	7	(471)	(708)
Profit on ordinary activities after taxation and for the financial year	16	1,533	2,057

All of the above relates to continuing operations

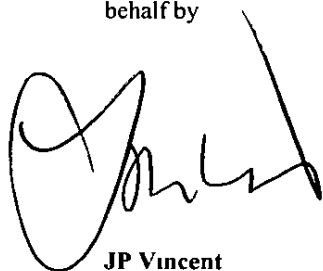
There were no recognised gains and losses for the current and preceding year other than the profit as presented above

The notes on pages 11 to 23 form part of these financial statements

Consolidated Balance Sheet
at 31 December 2013

	<i>Note</i>	2013 £000	2012 £000
Fixed assets			
Tangible assets	9	3,157	2,019
Current assets			
Stocks	11	37,822	32,908
Debtors	12	33,165	30,036
Cash at bank and in hand		916	1,132
		71,903	64,076
Creditors: Amounts falling due within one year	13	(63,472)	(55,009)
Net current assets		8,431	9,067
Total assets less current liabilities		11,588	11,086
Provisions for liabilities and charges	14	(26)	(28)
Net assets		11,562	11,058
Capital and reserves			
Called up share capital	15	300	300
Profit and loss account	16	11,262	10,758
Shareholders' funds	17	11,562	11,058

These financial statements were approved by the board of directors on 25th March 2014 and were signed on its behalf by



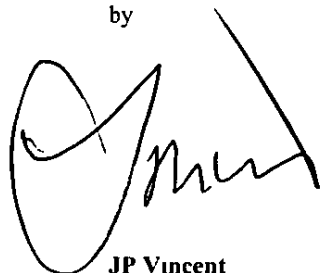
JP Vincent
Director

Company number 4307559

Company Balance Sheet
at 31 December 2013

	<i>Note</i>	2013 £000	£000	2012 £000	£000
Fixed assets					
Tangible assets	9		3,157		2,019
Investments	10		-		-
			<u>3,157</u>		<u>2,019</u>
Current assets					
Stocks	11	37,822		32,908	
Debtors	12	33,116		30,036	
Cash at bank and in hand		911		1,126	
		<u>71,849</u>		<u>64,070</u>	
Creditors Amounts falling due within one year	13	<u>(63,444)</u>		<u>(55,031)</u>	
Net current assets			<u>8,405</u>		<u>9,039</u>
Total assets less current liabilities			<u>11,562</u>		<u>11,058</u>
Provisions for liabilities and charges	14		<u>(26)</u>		<u>(28)</u>
Net assets			<u>11,536</u>		<u>11,030</u>
Capital and reserves					
Called up share capital	15		300		300
Profit and loss account	16		11,236		10,730
Shareholders' funds	17		<u>11,536</u>		<u>11,030</u>

These financial statements were approved by the board of directors on 25th March 2014 and were signed on its behalf by



JP Vincent
Director

Company number 4307559

Consolidated Cash Flow Statement
for the year ended 31 December 2013

	<i>Note</i>	2013 £000	2012 £000
Net cash inflow from operating activities	21	1,745	4,135
Returns on investments and servicing of finance	22	(428)	(576)
Taxation		(661)	(1,034)
Capital expenditure	22	(1,828)	(1,090)
Dividends paid on shares classified in shareholders' funds		(1,029)	(1,106)
Cash (outflow)/ inflow before financing		(2,201)	329
Financing	22	(16)	282
(Decrease)/ increase in cash in the year		(2,217)	611

Reconciliation of net cash flow to movement in net debt
for the year ended 31 December 2013

	<i>Note</i>	2013 £000	2012 £000
(Decrease)/ increase in cash in the year		(2,217)	611
Cash outflow from change in debt and lease financing		16	(282)
Movement in net debt in the year	23	(2,201)	329
Net debt at the start of the year	23	(15,828)	(16,157)
Net debt at the end of the year	23	(18,029)	(15,828)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Basis of consolidation

The consolidated financial statements include the financial statements of CP Foods (UK) Limited and its subsidiary undertakings made up to 31 December 2013. Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under Section 408 of the Companies Act 2006, the company is exempt from the requirement to present its own profit and loss account.

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the Strategic Report on page 1.

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future.

The directors, having assessed the responses of the directors of the company's parent Charoen Pokphand Foods Public Company Limited to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the CP Foods (UK) Limited Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Charoen Pokphand Foods Public Company Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost, less the estimated residual value of tangible fixed assets by equal instalments over their expected useful lives, as follows:

Short leasehold improvements	3 – 5 years
Fixtures, fittings and equipment	2 – 10 years
Motor vehicles	3 years

Investments

Fixed asset investments are shown at cost less provisions for impairment.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes (continued)

1 Accounting policies (continued)

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Dividends on shares presented within equity

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Turnover

Turnover represents the invoiced value, net of value added tax, of goods sold to customers. Turnover is recognised on the date of dispatch (which is usually the same as the date of delivery) to customers.

Cash

Cash for the purpose of the cash flow statement comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

2 Analysis of turnover

By geographical market

	2013 £000	2012 £000
United Kingdom	125,184	118,386
Rest of Europe	7,483	10,303
	<u>132,667</u>	<u>128,689</u>

There is only one class of business being food importers and distributors.

Notes (continued)

3 Notes to the profit and loss account

	2013 £000	2012 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Depreciation of tangible fixed assets		
Owned assets	717	672
Hire of other assets – operating leases	1,121	832
Gain on disposal of fixed assets	3	-
	<u> </u>	<u> </u>
<i>Auditor's remuneration</i>		
	2013 £000	2012 £000
Audit of these financial statements	47	54
Amounts receivable by the company's auditor and its associates in respect of		
Taxation compliance services	6	7
Other assurance services – quarterly group reporting	10	10
	<u> </u>	<u> </u>

4 Remuneration of directors

	2013 £000	2012 £000
Directors' emoluments	1,173	1,092
Company contributions to money purchase pension schemes	79	75
	<u> </u>	<u> </u>
	1,252	1,167
	<u> </u>	<u> </u>

The aggregate of emoluments of the highest paid director was £228,300 (2012 £207,001) and company pension contributions of £16,188 (2012 £15,934) were made to a money purchase pension scheme on his behalf

	Number of directors	
	2013	2012
Retirement benefits accruing to the following number of directors under		
Money purchase schemes	7	6
	<u> </u>	<u> </u>

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	Number of employees	
	2013	2012
Administration and directors	234	195
	<u> </u>	<u> </u>

Included within the above is the Representative Office in Bangkok. The Office covers all aspects of our business in Thailand, improving communication and efficiencies in all processes

Notes *(continued)*

5 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows

	2013 £000	2012 £000
Wages and salaries	5,620	5,144
Social security costs	627	606
Other pension costs	450	433
	<u>6,697</u>	<u>6,183</u>

6 Interest payable and similar charges

	2013 £000	2012 £000
Interest on bank loans	<u>460</u>	<u>543</u>

7 Taxation

Group

Analysis of charge in year

	2013 £000	£000	2012 £000	£000
<i>UK corporation tax</i>				
Current tax on income for the year	478		766	
Adjustments in respect of previous years	(5)		-	
	<u> </u>		<u> </u>	
Total current tax charge		473		766
<i>Deferred tax (see note 14)</i>				
Origination of timing differences	(1)		(61)	
Effect of changes in tax rates	(4)		(2)	
Adjustments in respect of previous years	3		5	
	<u> </u>		<u> </u>	
Total deferred tax credit		(2)		(58)
		<u> </u>		<u> </u>
Tax on profit on ordinary activities		471		708
		<u> </u>		<u> </u>

Notes (continued)

7 Taxation (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2012 higher) than the standard rate of corporation tax in the UK 23.25% (2012 24.5%). The differences are explained below

	2013 £000	2012 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before taxation	2,004	2,765
Current tax at 23.25% (2012 24.5%)	466	677
<i>Effects of</i>		
Expenses not deductible for tax purposes	26	31
Capital allowances for year less than depreciation	(14)	58
Adjustments in respect of previous years	(5)	-
Total current tax charge (see above)	473	766

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

8 Dividends

The aggregate amount of dividends comprises

	2013 £000	2012 £000
Final dividends paid in respect of prior year but not recognised as liabilities in that year	1,209	1,106

Notes (continued)

9 Tangible fixed assets

Group and company

	Short leasehold improvements £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Cost				
At beginning of year	264	5,767	49	6,080
Additions	657	1,183	18	1,858
Disposals	-	-	(30)	(30)
At end of year	921	6,950	37	7,908
Depreciation				
At beginning of year	137	3,893	31	4,061
Charge for the year	60	645	12	717
Disposals	-	-	(27)	(27)
At end of year	197	4,538	16	4,751
Net book value				
At 31 December 2013	724	2,412	21	3,157
At 31 December 2012	127	1,874	18	2,019

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost and net book value	
At beginning and end of year	60

Notes (continued)

10 Fixed asset investments (continued)

At the end of the year, the company had the following subsidiary undertakings, all of which are wholly-owned and all of which have been included in the consolidated financial statements of the group

Subsidiary	Principal activity	Percentage of shares held	Class of share
Fusion Abbey Park Limited	Food importers and distributors	100%	Ordinary
Fusion Alfrick Limited	Food importers and distributors	100%	Ordinary
Fusion Bracewell Limited	Food importers and distributors	100%	Ordinary
Fusion Bransford Limited	Food importers and distributors	100%	Ordinary
Fusion Broadway Limited	Food importers and distributors	100%	Ordinary
Fusion Brothwood Limited	Food importers and distributors	100%	Ordinary
Fusion Calis Limited	Food importers and distributors	100%	Ordinary
Fusion Carnoustie Limited	Food importers and distributors	100%	Ordinary
Fusion Charlton Limited	Food importers and distributors	100%	Ordinary
Fusion Crowle Limited	Food importers and distributors	100%	Ordinary
Fusion Dalaman Limited	Food importers and distributors	100%	Ordinary
Fusion Defford Limited	Food importers and distributors	100%	Ordinary
Fusion Dormington Limited	Food importers and distributors	100%	Ordinary
Fusion Driscoll Limited	Food importers and distributors	100%	Ordinary
Fusion Dumbleton Limited	Food importers and distributors	100%	Ordinary
Fusion Eastoe Limited	Food importers and distributors	100%	Ordinary
Fusion Elmbridge Limited	Food importers and distributors	100%	Ordinary
Fusion Everton Limited	Food importers and distributors	100%	Ordinary
Fusion Exning Limited	Food importers and distributors	100%	Ordinary
Fusion Fethye Limited	Food importers and distributors	100%	Ordinary
Fusion Gatley Limited	Food importers and distributors	100%	Ordinary
Fusion Gocek Limited	Food importers and distributors	100%	Ordinary
Fusion Gray Limited	Food importers and distributors	100%	Ordinary
Fusion Harper Limited	Food importers and distributors	100%	Ordinary
Fusion Hartford Limited	Food importers and distributors	100%	Ordinary
Fusion Hawstead Limited	Food importers and distributors	100%	Ordinary
Fusion Head Street Limited	Food importers and distributors	100%	Ordinary
Fusion Heath Limited	Food importers and distributors	100%	Ordinary
Fusion Irvine Limited	Food importers and distributors	100%	Ordinary
Fusion Kaitia Limited	Food importers and distributors	100%	Ordinary
Fusion Kroma Limited	Food importers and distributors	100%	Ordinary
Fusion Krone Limited	Food importers and distributors	100%	Ordinary
Fusion Lineker Limited	Food importers and distributors	100%	Ordinary
Fusion Littleworth Limited	Food importers and distributors	100%	Ordinary
Fusion Madeley Limited	Food importers and distributors	100%	Ordinary
Fusion McMahon Limited	Food importers and distributors	100%	Ordinary
Fusion Mountfield Limited	Food importers and distributors	100%	Ordinary
Fusion Moyes Limited	Food importers and distributors	100%	Ordinary
Fusion Newlands Limited	Food importers and distributors	100%	Ordinary
Fusion Niamh Limited	Food importers and distributors	100%	Ordinary
Fusion Pershore Limited	Food importers and distributors	100%	Ordinary
Fusion Priest Lane Limited	Food importers and distributors	100%	Ordinary
Fusion Ratcliffe Limited	Food importers and distributors	100%	Ordinary
Fusion Reid Limited	Food importers and distributors	100%	Ordinary
Fusion Richardson Limited	Food importers and distributors	100%	Ordinary
Fusion Samui Limited	Food importers and distributors	100%	Ordinary
Fusion Sharp Limited	Food importers and distributors	100%	Ordinary
Fusion Sheedy Limited	Food importers and distributors	100%	Ordinary
Fusion Soham Limited	Food importers and distributors	100%	Ordinary
Fusion Southall Limited	Food importers and distributors	100%	Ordinary
Fusion Stevens Limited	Food importers and distributors	100%	Ordinary
Fusion Thetford Limited	Food importers and distributors	100%	Ordinary
Fusion Turgay Limited	Food importers and distributors	100%	Ordinary
Fusion Uzumlu Limited	Food importers and distributors	100%	Ordinary

Notes (continued)

10 Fixed asset investments (continued)

Subsidiary	Principal activity	Percentage of shares held	Class of share
Fusion Van Den Hauwe Limited	Food importers and distributors	100%	Ordinary
Fusion Wadborough Limited	Food importers and distributors	100%	Ordinary
Fusion Wellington Limited	Food importers and distributors	100%	Ordinary
Fusion Whistler Limited	Food importers and distributors	100%	Ordinary
Fusion Wright Limited	Food importers and distributors	100%	Ordinary
Fusion Yamac Limited	Food importers and distributors	100%	Ordinary

Under s479A to s479C of the Companies Act 2006, all of the above subsidiaries are taking advantage of an audit exemption for the year ended 31 December 2013 due to the existence of individual Company's guarantees of all liabilities for each of the above subsidiaries for the year ended 31 December 2013

11 Stocks

Group and company

	2013 £000	2012 £000
Raw materials and consumables	37,822	32,908

12 Debtors

Group

	2013 £000	2012 £000
Trade debtors	31,273	28,282
Other debtors	1,043	1,138
Prepayments	849	616
	<u>33,165</u>	<u>30,036</u>

Company

	2013 £000	2012 £000
Trade debtors	31,256	28,282
Other debtors	1,011	1,138
Prepayments	849	616
	<u>33,116</u>	<u>30,036</u>

Trade debtors are subject to invoice discounting with full recourse to the company and therefore are still shown on the company's balance sheet

Notes *(continued)*

13 Creditors: Amounts falling due within one year

Group

	2013 £000	2012 £000
Bank loans and overdrafts (secured)	18,945	16,960
Trade creditors	3,116	2,618
Amounts owed to group undertakings	38,203	32,410
Corporation tax	206	394
Other taxation and social security	173	157
Other creditors	532	647
Accruals and deferred income	2,297	1,823
	<u>63,472</u>	<u>55,009</u>

Company

	2013 £000	2012 £000
Bank loans and overdrafts (secured)	18,945	16,960
Trade creditors	3,116	2,618
Amounts owed to group undertakings	38,175	32,432
Corporation tax	206	394
Other taxation and social security	173	157
Other creditors	532	647
Accruals and deferred income	2,297	1,823
	<u>63,444</u>	<u>55,031</u>

Bank loans and overdrafts are secured by way of a debenture containing a fixed and floating charge over the company's assets

14 Provisions for liabilities and charges

Group and company

	Deferred taxation £000
Deferred tax liability at beginning of year	28
Credit to the profit and loss for the year (see note 7)	(2)
	<u>26</u>
Deferred tax liability at end of year	26

The elements of deferred taxation are as follows

	2013 £000	2012 £000
Difference between accumulated depreciation and capital allowances	36	40
Other timing differences	(10)	(12)
	<u>26</u>	<u>28</u>

Notes (continued)

15 Called up share capital

Group and company

	2013 £000	2012 £000
<i>Allotted, called up and fully paid</i>		
300,000 ordinary shares of £1 each	300	300
	<u> </u>	<u> </u>

16 Reserves

Group

	Profit and loss account £000
At beginning of year	10,758
Profit for the financial year	1,533
Dividends on shares classified as shareholders' funds	(1,029)
	<u> </u>
At end of year	11,262
	<u> </u>

Company

	Profit and loss account £000
At beginning of year	10,730
Profit for the financial year	1,535
Dividends on shares classified as shareholders' funds	(1,029)
	<u> </u>
At end of year	11,236
	<u> </u>

17 Reconciliation of movements in shareholders' funds

Group

	2013 £000	2012 £000
Profit for the financial year	1,533	2,057
Dividends on shares classified as shareholders' funds	(1,029)	(1,106)
	<u> </u>	<u> </u>
Net addition to shareholders' funds	504	951
Opening shareholders' funds	11,058	10,107
	<u> </u>	<u> </u>
Closing shareholders' funds	11,562	11,058
	<u> </u>	<u> </u>

Notes (continued)

17 Reconciliation of movements in shareholders' funds

Company	2013 £000	2012 £000
Profit for the financial year	1,535	2,057
Dividends on shares classified as shareholders' funds	(1,029)	(1,106)
Net addition to shareholders' funds	506	951
Opening shareholders' funds	11,030	10,079
Closing shareholders' funds	11,536	11,030

18 Contingent liabilities

The group has given guarantees in favour of the following as at the year end

HM Revenue & Customs £4,000,000 (2012 £4,000,000)

The Collector of Customs & Excise for €225,000 (2012 €225,000)

Rural Payments Agency €83,500,000 (2012 €10,750,000)

Bangkok Bank Public Company Limited €Nil (2012 €200,000)

Bundesanstalt Fur Landwirtschaft €727,480 (2012 €727,480)

19 Commitments

Group and company

- (a) At 31 December 2013, the company had no capital commitments (2012 £Nil)
- (b) Annual commitments under non-cancellable operating leases are as follows

	Land and buildings		Other	
	2013 £000	2012 £000	2013 £000	2012 £000
Operating leases which expire				
Within one year	-	-	67	43
In the second to fifth years inclusive	345	342	152	128
Over five years	106	106	-	-
	451	448	219	171

20 Pension scheme

Group and company

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £450,000 (2012 £433,000).

There were outstanding contributions of £32,000 (2012 £32,000) at the end of the financial year.

Notes *(continued)*

21 Reconciliation of operating profit to net cash inflow from operating activities

	2013 £000	2012 £000
Operating profit	2,464	3,308
Depreciation charges	717	672
Gain on disposal of fixed assets	(3)	-
Increase in stocks	(4,914)	(5,044)
Increase in debtors	(3,129)	(1,129)
Increase in creditors	6,610	6,328
Net cash inflow from operating activities	1,745	4,135

22 Analysis of cash flows

	2013 £000	2012 £000
Returns on investments and servicing of finance		
Interest paid	(428)	(576)
Capital expenditure		
Purchase of tangible fixed assets	(1,858)	(1,090)
Sale of fixed assets	30	-
	(1,828)	(1,090)
Financing		
Movement in short term loans	(16)	282

23 Analysis of net debt

	1 January 2013 £000	Cash flow £000	31 December 2013 £000
Cash at bank and in hand	1,132	(216)	916
Bank overdraft	(6,961)	(2,001)	(8,962)
Debts falling due within one year	(9,999)	16	(9,983)
Net debt	(15,828)	(2,201)	(18,029)

Notes (continued)

24 Related party transactions

Group and company

During the year, the company has purchased goods from CPF Europe SA the immediate parent company amounting to £Nil (2012 £Nil), and fellow subsidiary undertakings CP Merchandising Company Limited amounting to £72,381,000 (2012 £62,484,000), CP Vietnam Corporation amounting to £351,000 (2012 £188,000) CPF Denmark AS amounting to £55,000 (2012 £1,055,000) and Charoen Pokphand Foods Public Company Limited amounting to £16,198,000 (2012 £28,714,000) and associated Group undertaking CP Intertrade Company Limited amounting to £518 (2012 £482)

During the year, the company has sold goods to CPF Europe SA, the immediate parent company amounting to £Nil (2012 £175,000), and fellow subsidiary undertakings CP Merchandising Company Limited amounting to £Nil (2012 £3,000) and CPF Denmark AS amounting to £120,000 (2012 £278,000)

At the year end, the company owed CP Merchandising Company Limited £33,430,700, (2012 £26,608,000), CP Vietnam Corporation £Nil (2012 £106,000), CPF Denmark AS £55,300 (2012 £141,000), Charoen Pokphand Foods Public Company Limited £4,716,000 (2012 £5,555,000) and CP Intertrade Company Limited £518 (2012 £482) which is included within creditors

At the year end, CP Foods UK Limited was owed £20,628 (2012 £Nil) by CPF Denmark A/S

25 Ultimate parent company and parent undertaking of large group of which the company is a member

Group and company

The company is a subsidiary undertaking of CPF Europe SA incorporated in Belgium This is the smallest group in which the results are consolidated The consolidated financial statements of this company are available to the public and may be obtained from Avenue Belle Vue 17, 1410 Waterloo, Belgium

The largest group in which the results of the company are consolidated is headed by Charoen Pokphand Foods Public Company Limited, incorporated in Thailand The consolidated financial statements of this company are available to the public and may be obtained from 313, CP Tower, Silom Road, Bangrak, Bangkok 10500, Thailand

26 Ultimate controlling party

Group and company

The ultimate controlling party of the company is Charoen Pokphand Foods Public Company Limited, a company incorporated in Thailand, by virtue of its majority shareholding