

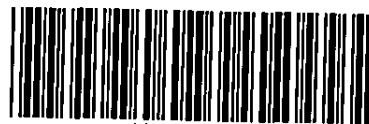
CP Foods (UK) Limited

**Directors' report and consolidated
financial statements**

Registered number 4307559

Year ended 31 December 2009

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Directors' report

The directors present their annual report and consolidated financial statements for the year ended 31 December 2009

Principal activities

The principal activity of the company and its subsidiaries is that of food importers and distributors

Business review

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

Increased raw material costs and a weakening currency meant stock prices were very high at the beginning of the year which, coupled with a period of very rapid sales price deflation in the first half of 2009, created a very difficult trading time. However the management of raw material prices for the second half of the year and increased volumes enabled the impact of this to be kept to a minimum.

Sales in duck and prawn showed good growth with chicken and dim sum remaining steady during the year.

The repacking facility at Newmarket continued to do well with sales and profit well ahead of budget.

The EU quota system on cooked chicken continues to challenge the company in its application and these challenges are likely to increase this year as the availability of quota becomes more difficult to manage.

Our forecast for 2010 shows continued sales growth but with some tightening of margin.

Dividends

Dividends paid during the year comprise a final dividend of £1,590,000 in respect of the year ended 31 December 2008 (2008 in respect of 2007 £1,264,000).

Directors

The directors who held office during the year were

P Anuchiracheeva
RJ Stokes
MJ Cheadle
De-Yi Shih
C Britton
RR Miller
JP Vincent
P Ohmpornnuwat
P Chirakitchareon
Mr P Chalongchaichan
Mr S Lasomboon

Disclosure of information to auditors

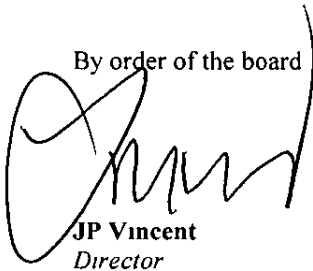
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make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

Directors' report *(continued)*

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors 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

[date]

10/2/10

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the 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 judgments 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 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 auditors' 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 2009 set out on pages 6 to 21. 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 auditors' 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 auditors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 2009 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 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 CP Foods (UK) Limited

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

DK Turner
Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Consolidated profit and loss account
for the year ended 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Turnover	2	123,586	111,523
Cost of sales		(107,689)	(96,770)
Gross profit		15,897	14,753
Administrative expenses		(9,869)	(8,710)
Operating profit		6,028	6,043
Interest payable and similar charges	6	(906)	(1,562)
Interest receivable and similar income		-	20
Profit on ordinary activities before taxation	3	5,122	4,501
Tax on profit on ordinary activities	7	(1,601)	(1,320)
Profit on ordinary activities after taxation and for the financial year	16	3,521	3,181

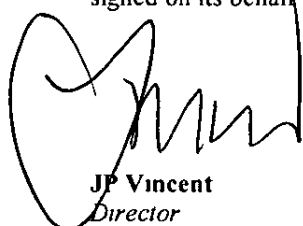
All of the above relates to continuing operations

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

Consolidated balance sheet
at 31 December 2009

	<i>Note</i>	2009 £000	£000	2008 £000	£000
Fixed assets					
Tangible assets	9		1,814		2,215
Current assets					
Stocks	11	21,558		27,792	
Debtors	12	24,844		20,528	
Cash at bank and in hand		658		781	
		<u>47,060</u>		<u>49,101</u>	
Creditors: Amounts falling due within one year	13	<u>(40,485)</u>		<u>(44,937)</u>	
Net current assets			6,575		4,164
Total assets less current liabilities			8,389		6,379
Provisions for liabilities and charges	14		(151)		(72)
Net assets			<u>8,238</u>		<u>6,307</u>
Capital and reserves					
Called up share capital	15		300		300
Profit and loss account	16		7,938		6,007
Shareholder funds	17		<u>8,238</u>		<u>6,307</u>

These financial statements were approved by the board of directors on 10th February 2010 and were signed on its behalf by



JP Vincent
Director

Company number 4307559

Company balance sheet
at 31 December 2009

	<i>Note</i>	2009 £000	£000	2008 £000	£000
Fixed assets					
Tangible assets	9		1,814		2,215
Investments	10		-		-
			<hr/>		<hr/>
			1,814		2,215
Current assets					
Stocks	11	21,558		27,792	
Debtors	12	24,844		20,528	
Cash at bank and in hand		654		780	
		<hr/>		<hr/>	
		47,056		49,100	
Creditors: Amounts falling due within one year	13	(40,509)		(44,964)	
		<hr/>		<hr/>	
Net current assets			6,547		4,136
			<hr/>		<hr/>
Total assets less current liabilities			8,361		6,351
Provisions for liabilities and charges	14		(151)		(72)
			<hr/>		<hr/>
Net assets			8,210		6,279
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	15	300		300	
Profit and loss account	16	7,910		5,979	
		<hr/>		<hr/>	
Shareholder funds	17		8,210		6,279
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 10th February 2010 and were signed on its behalf by


JP Vincent
Director

Company number 4307559

Consolidated cash flow statement
for the year ended 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Net cash inflow from operating activities	21	1,428	739
Returns on investments and servicing of finance	22	(909)	(1,428)
Taxation		(1,314)	(1,087)
Capital expenditure	22	(122)	(177)
Dividends paid on shares classified in shareholders funds		(1,590)	(1,264)
Cash outflow before financing		(2,507)	(3,217)
Financing	22	1,978	941
Decrease in cash in the year		(529)	(2,276)

Reconciliation of net cash flow to movement in net debt
for the year ended 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Decrease in cash in the year		(529)	(2,276)
Cash outflow from change in debt and lease financing		(1,978)	(941)
Movement in net debt in the year		(2,507)	(3,217)
Net debt at the start of the year		(8,774)	(5,557)
Net debt at the end of the year	23	(11,281)	(8,774)

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 2009. 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 s408 of the Companies Act 2006, the company is exempt from the requirement to present its own profit and loss account.

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 – 7 years
Motor vehicles	3 years

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.

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.

Stock

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.

Notes (continued)

1 Accounting policies (continued)

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.

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

	2009 £000	2008 £000
United Kingdom	111,835	97,600
Rest of Europe	11,751	13,923
	<hr/> 123,586 <hr/>	<hr/> 111,523 <hr/>

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

3 Notes to the profit and loss account

	2009 £000	2008 £000
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Depreciation of tangible fixed assets		
Owned assets	528	577
Hire of other assets – operating leases	558	536
(Gain)/loss on disposal of fixed assets	(5)	20
	<hr/>	<hr/>
<i>Auditors remuneration</i>		
Audit of these financial statements	37	36
Amounts receivable by auditors and their associates in respect of		
Audit of the financial statements of subsidiaries	14	10
Other services – relating to taxation	4	4
Other services – quarterly group reporting	8	8
	<hr/>	<hr/>

Notes (continued)

4 Remuneration of directors

	2009 £000	2008 £000
Directors' emoluments	1,256	1,032
Company contributions to money purchase pension schemes	66	61
	<u>1,322</u>	<u>1,093</u>

The aggregate of emoluments of the highest paid director was £267,705 (2008 £217,000) and company pension contributions of £15,699 (2008 £17,000) were made to a money purchase pension scheme on his behalf

	Number of directors 2009	2008
Retirement benefits accruing to the following number of directors under Money purchase schemes	<u>5</u>	<u>5</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 2009	2008
Administration and directors	<u>143</u>	<u>119</u>

The aggregate payroll costs of these persons were as follows

	£000	£000
Wages and salaries	5,444	4,299
Social security costs	425	355
Other pension costs	344	261
	<u>6,213</u>	<u>4,915</u>

6 Interest payable and similar charges

	2009 £000	2008 £000
Interest on bank loans	524	580
Interest payable to group undertakings	382	982
	<u>906</u>	<u>1,562</u>

Notes (continued)

7 Taxation

Group

Analysis of charge in year

	2009 £000	£000	2008 £000	£000
<i>UK corporation tax</i>				
Current tax on income for the year	1,519		1,354	
Adjustment in respect of previous years	3		3	
	<hr/>		<hr/>	
Total current tax		1,522		1,357
<i>Deferred tax (see note 14)</i>				
Origination/reversal of timing differences	79		(27)	
Adjustment in respect of previous years	-		(10)	
	<hr/>		<hr/>	
Total deferred tax		79		(37)
		<hr/>		<hr/>
Tax on profit on ordinary activities		1,601		1,320
		<hr/>		<hr/>

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2008 higher) than the standard rate of corporation tax in the UK 28% (2008 28.5%). The differences are explained below

	2009 £000	2008 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before taxation	5,122	4,501
	<hr/>	<hr/>
Current tax at 28% (2008 28.5%)	1,434	1,283
<i>Effects of</i>		
Expenses not deductible for tax purposes	41	34
Capital allowances for year (in excess of)/less than depreciation	(8)	39
Depreciation on ineligible	50	11
Other timing differences	2	(13)
Adjustment in respect of previous years	3	3
	<hr/>	<hr/>
Total current tax charge (see above)	1,522	1,357
	<hr/>	<hr/>

8 Dividends

The aggregate amount of dividends comprises

	2009 £000	2008 £000
Final dividends paid in respect of prior year but not recognised as liabilities in that year	1,590	1,264
	<hr/>	<hr/>



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	110	3,948	79	4,137
Additions	-	104	23	127
Disposals	-	-	(42)	(42)
At end of year	110	4,052	60	4,222
Depreciation				
At beginning of year	103	1,755	64	1,922
Charge for the year	5	509	14	528
Disposals	-	-	(42)	(42)
At end of year	108	2,264	36	2,408
Net book value				
At 31 December 2009	2	1,788	24	1,814
At 31 December 2008	7	2,193	15	2,215

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At beginning of year	28
Additions	10
At end of year	38
Provisions	
At beginning and end of year	-
Net book value	
At 31 December 2009	38
At 31 December 2008	28

Notes (continued)

10 Fixed asset investments (continued)

At the beginning and 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 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 Dalaman 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 Everton Limited	Food importers and distributors	100%	Ordinary
Fusion Fethiye 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 Head Street 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 Littleworth Limited	Food importers and distributors	100%	Ordinary
Fusion Madeley 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 Samui 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
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 Yamac Limited	Food importers and distributors	100%	Ordinary

The following subsidiary undertakings were acquired during the year for their nominal value of £1 which the directors believe is their fair value, 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 Exning Limited	Food importers and distributors	100%	Ordinary
Fusion Haddenham Limited	Food importers and distributors	100%	Ordinary
Fusion Haverhill Limited	Food importers and distributors	100%	Ordinary
Fusion Hawstead Limited	Food importers and distributors	100%	Ordinary
Fusion Lidgate Limited	Food importers and distributors	100%	Ordinary
Fusion Saxham Limited	Food importers and distributors	100%	Ordinary
Fusion Soham Limited	Food importers and distributors	100%	Ordinary
Fusion Stowmarket Limited	Food importers and distributors	100%	Ordinary
Fusion Swaffham Limited	Food importers and distributors	100%	Ordinary
Fusion Thetford Limited	Food importers and distributors	100%	Ordinary

11 Stocks

Group and company

	2009 £000	2008 £000
Raw materials and consumables	21,558	27,792

Notes (continued)

12 Debtors

Group and company

	2009 £000	2008 £000
Trade debtors	23,368	19,326
Amounts owed by group undertakings	85	120
Other debtors	950	863
Prepayments	441	219
	<u>24,844</u>	<u>20,528</u>

Trade debtors are subject to invoice discounting

13 Creditors: Amounts falling due within one year

Group

	2009 £000	2008 £000
Bank loans and overdrafts (secured)	11,939	9,555
Trade creditors	2,544	3,000
Amounts owed to group undertakings	21,279	28,841
Corporation tax	953	745
Other taxation and social security	153	126
Other creditors	2,692	2,172
Accruals and deferred income	925	498
	<u>40,485</u>	<u>44,937</u>

Company

	2009 £000	2008 £000
Bank loans and overdrafts (secured)	11,939	9,555
Trade creditors	2,544	3,000
Amounts owed to group undertakings	21,303	28,875
Corporation tax	953	738
Other taxation and social security	153	126
Other creditors	2,692	2,172
Accruals and deferred income	925	498
	<u>40,509</u>	<u>44,964</u>

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

Notes (continued)

14 Provisions for liabilities and charges

Group and company

	Deferred taxation £000
Deferred tax liability at beginning of year	72
Credit to the profit and loss for the year (see note 7)	79
	<hr/>
Deferred tax liability at end of year	151
	<hr/>

The elements of deferred taxation are as follows

	2009 £000	2008 £000
Difference between accumulated depreciation and capital allowances	176	108
Other timing differences	(25)	(36)
	<hr/>	<hr/>
	151	72
	<hr/>	<hr/>

15 Called up share capital

Group and company

	2009 £000	2008 £000
<i>Authorised</i>		
300,000 ordinary shares of £1 each	300	300
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
300,000 ordinary shares of £1 each	300	300
	<hr/>	<hr/>

16 Reserves

Group

	Profit and loss account £000
At beginning of year	6,007
Profit for the financial year	3,521
Dividends on shares classified as shareholders' funds	(1,590)
	<hr/>
At end of year	7,938
	<hr/>

Notes (continued)

16 Reserves (continued)

Company

	Profit and loss account £000
At beginning of year	5,979
Profit for the financial year	3,521
Dividends on shares classified as shareholders' funds	(1,590)
	<hr/>
At end of year	7,910
	<hr/>

17 Reconciliation of movements in shareholders' funds

Group

	2009 £000	2008 £000
Profit for the financial year	3,521	3,181
Dividends on shares classified as shareholders' funds	(1,590)	(1,264)
	<hr/>	<hr/>
Net addition to shareholders' funds	1,931	1,917
Opening shareholders' funds	6,307	4,390
	<hr/>	<hr/>
Closing shareholders' funds	8,238	6,307
	<hr/>	<hr/>

Company

	2009 £000	2008 £000
Profit for the financial year	3,521	3,153
Dividends on shares classified as shareholders' funds	(1,590)	(1,264)
	<hr/>	<hr/>
Net addition to shareholders' funds	1,931	1,889
Opening shareholders' funds	6,279	4,390
	<hr/>	<hr/>
Closing shareholders' funds	8,210	6,279
	<hr/>	<hr/>

18 Contingent liabilities

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

Directorate of Food £Nil (2008 £534,632)

HM Revenue & Customs £1,000,000 (2008 £1,000,000)

The Collector of Customs & Excise for £98,000 (2008 £109,000)

Rural Payments Agency £12,713,000 (2008 £29,778,000)

Notes (continued)

19 Commitments

Group and company

- (a) At 31 December 2009, the company had capital commitments of £50,000 (2008 £Nil)
- (b) Annual commitments under non-cancellable operating leases are as follows

	Land and buildings		Other	
	2009	2008	2009	2008
	£000	£000	£000	£000
Operating leases which expire				
Within one year	40	-	32	45
In the second to fifth years inclusive	48	87	156	90
Over five years	247	194	1	1
	<u>335</u>	<u>281</u>	<u>189</u>	<u>136</u>

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 £344,000 (2008 £261,000).

There were outstanding contributions of £27,000 (2008 £25,000) at the end of the financial year.

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

	2009	2008
	£000	£000
Operating profit	6,028	6,043
Depreciation charges	528	577
(Gain)/loss on disposal of fixed assets	(5)	20
Decrease/(increase) in stocks	6,234	(5,657)
(Increase)/decrease in debtors	(4,316)	3,014
Decrease in creditors	(7,041)	(3,258)
Net cash inflow from operating activities	<u>1,428</u>	<u>739</u>

Notes (continued)

22 Analysis of cash flows

	2009 £000	2008 £000
Returns on investments and servicing of finance		
Interest paid	(909)	(1,448)
Interest received	-	20
	<u>(909)</u>	<u>(1,428)</u>
Capital expenditure		
Purchase of tangible fixed assets	(127)	(177)
Sale of fixed assets	5	-
	<u>(122)</u>	<u>(177)</u>
Financing		
Movement in short term loans	<u>1,978</u>	<u>941</u>

23 Analysis of net debt

	1 January 2009 £000	Cash flow £000	31 December 2009 £000
Cash at bank and in hand	781	(123)	658
Bank overdraft	(5,544)	(406)	(5,950)
Debts falling due within one year	(4 011)	(1,978)	(5,989)
	<u>(8,774)</u>	<u>(2,507)</u>	<u>(11,281)</u>
Net debt			

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 £68,154,000 (2008 £77,789,000), and fellow subsidiary undertakings CP Merchandising Company Limited amounting to £1,494,000 (2008 £2,405,000), CPF Denmark Limited amounting to £84,000 (2008 £Nil) and CP Klang Limited amounting to £8,630,000 (2008 £3,251,000)

During the year CPF Europe SA the intermediate parent company purchased goods from CP Foods UK Limited amounting to £Nil (2008 £8,000)

At the year end, the company owed CPF Europe SA £20,521,000 (2008 £28,221,000), CP Merchandising Company Limited £4,755 (2008 £260,000) and CP Klang Limited £753,000 (2008 £326,000) which is included within creditors

At the year end CP Foods UK Limited was owed £84,709 (2008 £301,000) by CPF Europe SA the intermediate parent company

During the year, interest of £383,000 (2008 £982,000) has been charged by CPF Europe SA relating to the amounts due At the year end, £106,000 remains outstanding and is included within accruals (2008 £97,000)

Notes (continued)

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

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

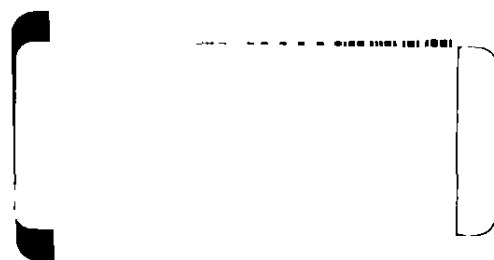
Group and company

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

CP Foods (UK) Limited

Company profit and loss account

For the year ended 31 December 2009



Company profit and loss account
for the year ended 31 December 2009

	2009 £000	2008 £000
Turnover	123,473	110,916
Cost of sales	(107,576)	(96,200)
Gross profit	15,897	14,716
Administrative expenses	(9,869)	(8,709)
Operating profit	6,028	6,007
Interest receivable	-	20
Interest payable and similar charges	(906)	(1,562)
Profit on ordinary activities before taxation	5,122	4,465
Tax on profit on ordinary activities	(1,601)	(1,312)
Profit on ordinary activities after taxation and for the financial year	3,521	3,153

Approved by the board on 10 February 2010


JP Vincent
Director