Bakkavor China Limited

Financial statements

for the 52 weeks ended 28 December 2013

Registered number: 05661425

Bakkavor China Limited

Financial statements 2013

Contents

Bakkavor China Limited

Financial statements 2013

Officers and professional advisers

Directors

E Gustafsson
A Gudmundsson
E P Gates

Secretary

S Witham

Registered Office

West Marsh Road
Spalding
Lincolnshire
PE11 2BB

Bankers

Hongkong & Shanghai Banking Corporation Limited
No.1 Queen's Road Central
Hong Kong

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Four Brindleyplace
Birmingham
B1 2HZ

Bakkavor China Limited

Directors' report

The Directors present their audited financial statements for the 52 week period ended 28 December 2013 ('2013'). Comparatives are for the 52 week period ended 29 December 2012 ('2012').

Principal activity

Bakkavor China Limited (the 'Company'), is an intermediate holding company that operates within the Bakkavor Group Limited Group (the 'Group') and is a 100% owned subsidiary of Bakkavor Asia Limited. The Company's principal activity is to manage investment opportunities in China. A review of business performance is shown within the Strategic Report on page 4.

Going concern

The Directors, in their detailed consideration of going concern, have reviewed the Company's future cash forecasts, which they believe are based on prudent market data and past experience. The Directors have considered the Company's cash reserves and its access to the Group's financing arrangements. At the date of this report the Group has complied in all respects with the terms of its borrowing agreements, including its financial covenants and forecasts to continue to do so. In the event that trading conditions worsen the Group has specific actions available to it to ensure ongoing compliance.

Consequently, the Directors have a reasonable expectation that the Company has adequate resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The Directors, who served during the period or held office at the date of this report, were as follows:

E Gustafsson
A Gudmundsson
E P Gates (appointed 14 January 2014)
R T Marshall (resigned 14 January 2014)

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of these financial statements confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

A Gudmundsson
Director
2 September 2014

Bakkavor China Limited

Directors' responsibilities statement

The Directors are responsible for preparing 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 Director has elected to prepare the financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 'Reduced Disclosure Framework' has 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.

Bakkavor China Limited

Strategic report

The Directors present their Strategic Report for the period ended 28 December 2013. The Directors are satisfied with the results and achievements and believe that the future prospects of the Company are sound.

Review of business performance

During the 52 week period ended 28 December 2013 the Company issued 1 ordinary share to Bakkavor Asia Limited for £1,672,699. The proceeds raised were used to help fund the increased investment in both Creative Food Group Limited and Gastro Primo Limited.

As shown in the Company's Profit and loss account, the loss for the period after taxation, amounted to £2,119,000 (2012: loss after taxation £7,193,000) which has been transferred from reserves. The Directors do not recommend the payment of a final dividend (2012: £nil).

The Balance sheet shows shareholders' funds amounting to £19,114,000 (2012: £19,560,000).

Principal risks and uncertainties

The Company continually reviews its internal control and risk management processes and is fully aligned with the policies and objectives set by the Board of Directors of the Group. For this reason the Company's exposure to risks and uncertainties in strategic, operational and financial areas is limited.

The Company has identified the following financial risks:

Foreign currency risk

The Company's currency risk arises on cash balances and trade and other payables in US Dollars (USD). The Company does not directly enter into any forward foreign exchange contracts. The Group's Treasury Department actively manages the Group's currency risk. The Treasury function operates within the framework of strict Group Board approved policies and procedures.

Credit risk management

Credit risk refers to the risk of financial loss to the Company if a counterparty defaults on its contractual obligations of the loans and receivables at amortised cost held in the Balance sheet. The Company's credit risk is attributable to balances with trade and other debtors and is not considered to be significant.

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

A Gudmundsson
Director
2 September 2014

Independent auditor's report to the members of Bakkavor China Limited

We have audited the financial statements of Bakkavor China Limited for the 52 weeks ended 28 December 2013 (the 'period') which comprise the Profit and loss account, Statement of changes in equity, Balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 December 2013 and of the Company's loss for the 52 week period then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Bakkavor China Limited (continued)

Matters on which we are required to report by exception

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

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

C J Robertson

Christopher Robertson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK
5 September 2014

Bakkavor China Limited

Profit and loss account
52 weeks ended 28 December 2013

	Notes	52 weeks ended 28 December 2013 £'000	52 weeks ended 29 December 2012 £'000
Other administrative expenses		(174)	(247)
Impairment of investment	3	(2,483)	(7,560)
Operating loss		(2,657)	(7,807)
Investment revenue	6	607	527
Other losses	7	(69)	(88)
Loss on ordinary activities before tax		(2,119)	(7,368)
Tax	8	-	175
Loss for the period	4	(2,119)	(7,193)

All results relate to continuing operations. The Company has no recognised gains and losses other than the losses above and therefore no separate statement of comprehensive income is presented.

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity
52 weeks ended 28 December 2013

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 1 January 2012	4	32,051	(7,504)	24,551
Loss for the period	-	-	(7,193)	(7,193)
Share issue	-	2,202	-	2,202
Balance at 29 December 2012	4	34,253	(14,697)	19,560
Loss for the period	-	-	(2,119)	(2,119)
Share issue	-	1,673	-	1,673
Balance at 28 December 2013	4	35,926	(16,816)	19,114

Bakkavor China Limited

Balance sheet
52 weeks ended 28 December 2013

	Notes	28 December 2013 £'000	29 December 2012 £'000
Fixed assets			
Investments	9	18,805	18,954
Current assets			
Debtors – amounts falling due within one year	10	2	494
Cash at bank and in hand		312	285
		314	779
Total assets		19,119	19,733
Creditors – amounts falling due within one year	11	(5)	(173)
Net assets		19,114	19,560
Capital and reserves			
Share capital	12	4	4
Share premium	12	35,926	34,253
Profit and loss account		(16,816)	(14,697)
Total shareholders' funds		19,114	19,560

The financial statements of Bakkavor China Limited, company number 05661425, and the accompanying notes which form an integral part of the financial statements were approved by the Board of Directors and authorised for issue on 2 September 2014. They were signed on behalf of the Board of Directors by:

A Gudmundsson
Director

Notes to the financial statements
52 weeks ended 28 December 2013

1. General information

Bakkavor China Limited along with its ultimate parent company and ultimate controlling party, Bakkavor Group Limited, is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The principal activity of the Company is to manage investment opportunities in China.

2. Significant accounting policies

Basis of accounting

As permitted under section 390 (3) of the Companies Act 2006, the Company has taken the option to end its financial year on 28 December 2013 as it is not more than 7 days after or before the end of the year dated 31 December 2013.

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100. The Company has chosen to adopt the standard earlier than the 1 January 2015 effective date and therefore the financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by Financial Reporting Standard 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the Group accounts of Bakkavor Finance (2) plc. The Group accounts of Bakkavor Finance (2) plc are available to the public and can be obtained as set out in note 15.

The Company is exempt from preparing group accounts under s400 of the Companies Act 2006 as it is a wholly owned subsidiary of Bakkavor Finance (2) plc and is included in the consolidated accounts of that company. Therefore, these financial statements present information about the Company and not it's Group.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Going concern

The Directors have reviewed the future cash forecasts of the Company through to September 2015. See page 2, for the Directors' consideration of going concern.

Foreign currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Pounds Sterling, which is the functional currency of the Company.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each Balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. Significant accounting policies (continued)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Profit and loss account for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the Profit and loss account for the period except for differences arising on the retranslation of non-monetary items carried at historical cost of which gains and losses are recognised directly in equity.

Revenue recognition

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Operating loss

Operating loss is stated after impairment of investments but before investment revenue.

Taxation

The tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance sheet date.

Investments

Investments in subsidiaries and associates are included at cost less provision for impairment where necessary. An impairment loss is recognised in the Profit and loss account when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Subsidiaries

A subsidiary is an entity over which the Company has control. Control exists when the Company has the power directly, or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities.

Associates

An associate is an entity over which the Company is in a position to exercise significant influence, through participation in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

2. Significant accounting policies (continued)

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit and loss (FVTPL), which are initially measured at fair value.

Financial assets held by the Company are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade debtors, loans and other debtors which are non-derivative financial assets with fixed or determined payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short term debtors when the recognition of interest would be immaterial.

Cash at bank and in hand

Cash at bank and in hand comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Financial liabilities

Financial liabilities held by the Company are classified as other financial liabilities and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each Balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

2. Significant accounting policies (continued)

Impairment of financial assets (continued)

For certain categories of financial assets such as trade debtors, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of debtors could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national and local economic conditions that correlate with default on debtors.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. When a trade debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Profit and loss account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Profit and loss account to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets and financial liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities are derecognised when, and only when the Company's obligations are discharged, cancelled or expire.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the amount of the obligation cannot be measured reliably. A contingent liability is not recognised but it is disclosed in the notes to the financial statements. When an outflow becomes probable, it is recognised as a provision.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying accounting policies

The following are areas of particular significance to the Company's financial statements and include the application of judgement, which is fundamental to the compilation of a set of financial statements:

Uncollectible debtors, taxes and contingencies

Estimates are used in the accounting for allowances of uncollectible debtors, taxes and contingencies. Estimates and assumptions are reviewed periodically and effects of revisions are reflected in the financial statements in the period that an adjustment is determined to be required.

Going concern

The Directors, in their detailed consideration of going concern, have reviewed the Company's future cash forecasts, which they believe are based on prudent market data and past experience. The Directors have considered the Company's cash reverses and its access to the Group's financing arrangements. At the date of this report the Group has complied in all respects with the terms of its borrowing agreements, including its financial covenants and forecasts to continue to do so. In the event that trading conditions worsen the Group has specific actions available to it to ensure ongoing compliance.

Consequently, the Directors have a reasonable expectation that the Company has adequate resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Impairment of investments

Impairment reviews in respect of investments are performed annually unless an event indicates that an impairment review is necessary. An impairment loss is recognised in the Profit and loss account when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

During the 52 week period ended 28 December 2013, the Company has undergone an impairment review and has impaired the investment in Creative Foods Group Limited by £2,483,000 (2012: £7,560,000).

4. Loss for the period

Loss for the period is stated after charging:

	52 weeks ended 28 December 2013 £'000	52 weeks ended 29 December 2012 £'000
Impairment of investments (note 3)	2,483	7,560
Loss on foreign exchange movements	69	88

Notes to the financial statements (continued)
52 weeks ended 28 December 2013

5. Employees, Directors and auditor remuneration

The Company had no employees for the period ended 28 December 2013 (2012: nil) other than the Directors of the Company.

R T Marshall received £95,000 (2012: £59,000) for services to the Company for the period ended 28 December 2013. The other Directors received no remuneration for their services to the Company in the period ended 28 December 2013 (2012: £nil) as they were remunerated by another group company.

Fees of £5,000 (2012: £5,000) payable to the Company's auditor in respect of the statutory audit of the Company's financial statements for the period ended 28 December 2013 have been borne by Bakkavor Foods Limited.

No non-audit fees were charged to the Company for the period ended 28 December 2013 (2012: £nil).

6. Investment revenue

	52 weeks ended 28 December 2013 £'000	52 weeks ended 29 December 2012 £'000
Dividends received from an associate	607	527

7. Other losses

	52 weeks ended 28 December 2013 £'000	52 weeks ended 29 December 2012 £'000
Loss on foreign exchange movements	69	88

8. Tax

	52 weeks ended 28 December 2013 £'000	52 weeks ended 29 December 2012 £'000
Current tax:		
UK corporation tax	-	(175)
Total tax credit for the period	-	(175)

Corporation tax is calculated at 23.25% (2012: 24.5%) of the estimated assessable loss for the period.

Bakkavor China Limited

Notes to the financial statements (continued)
52 weeks ended 28 December 2013

8. Tax (continued)

The credit for the period can be reconciled to the loss on ordinary activities before tax per the Profit and loss account as follows:

	52 weeks ended 28 December 2013 £'000	%	52 weeks ended 29 December 2012 £'000	%
Loss on ordinary activities before tax	(2,119)	(100.0)	(7,368)	(100.0)
Tax at the UK corporation tax rate of 23.25% (2012: 24.5%)	(492)	(23.3)	(1,805)	(24.5)
Tax effect of expenses that are not deductible in determining taxable profit	577	27.2	1,891	25.7
Tax effect of non-taxable income	(141)	(6.6)	(129)	(1.8)
Group relief charged at rate in excess of 23.25% (2012: 24.5%)	-	-	(132)	(1.8)
Group relief surrendered free of charge	56	2.7	-	-
Tax credit and effective tax rate for the period	-	-	(175)	(2.4)

The UK corporation tax rate reduced from 24% to 23% from 1 April 2013 and then reduced to 21% from 1 April 2014 and further reduces to 20% from 1 April 2015.

9. Investments

Cost	Shares in group companies £'000	Shares in associated companies £'000	Total £'000
At 29 December 2012	22,950	6,110	29,060
Additions	2,334	-	2,334
At 28 December 2013	25,284	6,110	31,394
Provisions for impairment			
At 29 December 2012	(10,106)	-	(10,106)
Impairment (note 3)	(2,483)	-	(2,483)
At 28 December 2013	(12,589)	-	(12,589)
Net book value at 28 December 2013	12,695	6,110	18,805
Net book value at 29 December 2012	12,844	6,110	18,954

The investments in subsidiaries and associates are all stated at cost less provision for impairment.

Notes to the financial statements (continued)
52 weeks ended 28 December 2013

9. Investments (continued)

On the 30 October 2013 the Company increased its investment in Gastro Primo Limited by £930,000. On the 18 December 2013 it also increased its investment in Creative Foods Group Limited by £1,404,000. These investments were partly funded by the issue of shares to Bakkavor Asia Limited for £1,672,699 and partly from cash reserves due to dividends received from La Rose Noire Limited in the 52 week period ended 28 December 2013.

As at 28 December 2013, Bakkavor China Limited had directly held investments in the following entities:

Name	Principal activities	Place of incorporation	Interest	Investment £'000
Creative Food Group Limited	Produce and manufactures fresh food products	Hong Kong	100%	8,883
Gastro Primo Limited	Manufactures fresh food products	Hong Kong	100%	3,812
La Rose Noire Limited	Bakery and pastry	Hong Kong	45%	6,110

Through Creative Food Group Limited the Company also holds investments in 13 entities within Hong Kong and China.

10. Debtors – amounts falling due within one year

	28 December 2013 £'000	29 December 2012 £'000
Amounts owed by other group companies	-	318
Current taxation - group loss relief	-	175
Other debtors	2	1
	2	494

The amounts disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

11. Creditors – amounts falling due within one year

	28 December 2013 £'000	29 December 2012 £'000
Amounts owed to other group companies	-	26
Deferred consideration	-	139
Accruals	5	8
	5	173

12. Share capital

Called-up and fully paid	28 December 2013		29 December 2012	
	No	£	No	£
Ordinary shares of £1 each	4,103	4,103	4,102	4,102

The Company has one class of ordinary shares which carry no right to fixed income.

2013

During the 52 week period ended 28 December 2013 the Company issued 1 ordinary £1 share to Bakkavor Asia Limited for £1,672,699. This created a share premium of £1,672,698. The proceeds raised were used to help fund the increased investment in both Creative Food Group Limited and Gastro Primo Limited.

2012

During the 52 week period ended 29 December 2012 the Company issued 1 ordinary £1 share to Bakkavor Asia Limited for £2,083,194 which was used to increase the Company's investment in Creative Food Group Limited. This created a share premium of £2,083,193.

The Company also issued an additional 1 ordinary £1 share to Bakkavor Asia Limited in settlement of a corporate loan with Bakkavor Asia Limited. This created a share premium of £118,484.

13. Contingent liabilities

There were no legal claims or potential claims against the Company as at 28 December 2013 (2012: £nil).

The Company, along with certain other group companies, is a guarantor of the Group and therefore the assets of the Company are secured against the Group's debt facilities.

14. Events after the Balance sheet date

There were no significant events after the Balance sheet date.

15. Controlling party

The Directors consider Bakkavor Asia Limited to be the immediate parent company.

The Company's ultimate parent company and ultimate controlling party is Bakkavor Group Limited, a company registered in the United Kingdom. The largest group in which the results of the Company are consolidated is that headed by Bakkavor Group Limited and has included the Company in its group financial statements. The smallest group into which the accounts are consolidated is Bakkavor Finance (2) plc.

Copies of both the Bakkavor Group Limited and Bakkavor Finance (2) plc financial statements are available from 5th Floor 3 Sheldon Square, Paddington Central, London, W2 6HY, United Kingdom.