

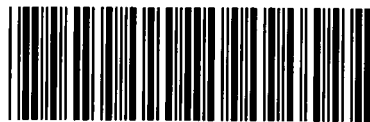
Registration number: 05661425

Bakkavor China Limited

Annual Report and Financial Statements

for the Period from 31 December 2017 to 29 December 2018

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Bakkavor China Limited

Contents

Company Information	1
Directors' Report	2
Directors' Responsibilities Statement	3
Strategic Report	4 to 5
Independent Auditor's Report	6 to 8
Profit and Loss Account	9
Statement of Changes in Equity	10
Balance Sheet	11
Notes to the Financial Statements	12 to 22

Bakkavor China Limited

Company Information

Directors A Gudmundsson

E P Gates

E Gustafsson

Company secretary A Tagoe-Bannerman

Registered office Fitzroy Place 5th Floor
8 Mortimer Street
London
W1T 3JJ

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

Auditor Deloitte LLP
Statutory Auditor
1 Woodborough Road
Nottingham
United Kingdom
NG1 3FG

Bakkavor China Limited

Directors' Report for the Period from 31 December 2017 to 29 December 2018

The Directors present their report and the audited financial statements for the 52 week period from 31 December 2017 to 29 December 2018 ('2018'). Comparatives are for the 52 week period from 1 January 2017 to 30 December 2017 ('2017').

Principal activity

The principal activity of Bakkavor China Limited (the 'Company') is that of a holding company which manages investment opportunities in China operating within the Bakkavor Group plc group (the 'Group') and is a 100% owned subsidiary of Bakkavor Asia Limited. A fair review of the business, future developments, dividends and its financial risk management is shown in the Strategic Report.

Going concern

The Directors, in their detailed consideration of going concern, have reviewed the Company's future cash forecasts up to September 2020, 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.

Consequently, the Directors consider 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. The Company also has a letter of support in place reflecting the fact that as at 29 December 2018 the Company had net current liabilities.

Directors of the Company

The Directors, who held office during the period, and up to the date of signing this report, were as follows:

A Gudmundsson

E P Gates

E Gustafsson

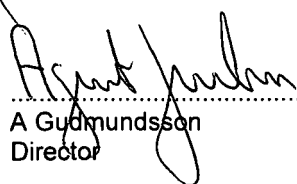
Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of the Directors which remain in force at the date of this report.

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board on 9/9/19 and signed on its behalf by:


A Gudmundsson
Director

Bakkavor China Limited

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Bakkavor China Limited

Strategic Report for the Period from 31 December 2017 to 29 December 2018

The Directors present their strategic report for the period from 31 December 2017 to 29 December 2018.

Fair review of the business and future developments

As shown in the Company's Profit and loss account, the profit for the period, after taxation, amounted to £438,000 (2017: £678,000). The Directors do not recommend the payment of a final dividend (2017: £nil).

The Balance sheet shows shareholders' funds amounting to £53,590,000 (2017: £37,379,000).

During the period ended 29 December 2018, the Company issued two ordinary £1 shares to Bakkavor Asia Limited for £15,773,033 which was used to increase the Company's investment in Bakkavor Hong Kong Limited (2017: one ordinary £1 share for £12,625,581 increasing the Company's investment in Bakkavor Hong Kong Limited).

The Directors are satisfied with the results and achievements of the Company and they do not expect any significant change to the nature of the Company's activities in future years.

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 Bakkavor Group plc. For this reason the Company's exposure to risks and uncertainties in strategic, operational and financial areas is limited. These risks are set out below:

Operational risk management

Brexit disruption

There continues to be a very high level of uncertainty surrounding the outcome of Brexit negotiations and we have continued to review any potential impacts on our UK business. Our senior management are regularly reviewing and where necessary updating our operational plans to minimise possible risks and limit the impact of any cost increases that may arise from tariffs and duties following the UK's exit from the European Union. In addition, we continue to focus on the implementation of an enhanced employee retention programme, as well as working actively with suppliers and logistics providers to limit any disruption to our supply chain.

Financial risk management

Investment risk

The performance of the operating investments within the Company's investments is subject to distinct operational and market risks which may impact the investment value.

Bakkavor China Limited

Strategic Report for the Period from 31 December 2017 to 29 December 2018 (continued)

Financial risk management (continued)

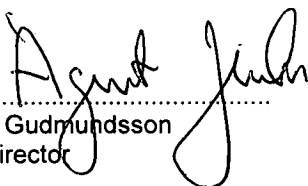
Foreign currency risk

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

Credit risk

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 on 9/9/19 and signed on its behalf by:


.....
A Gudmundsson
Director

Bakkavor China Limited

Independent Auditor's Report to the Members of Bakkavor China Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bakkavor China Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 29 December 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of changes in equity;
- the balance sheet; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Bakkavor China Limited

Independent Auditor's Report to the Members of Bakkavor China Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Bakkavor China Limited

Independent Auditor's Report to the Members of Bakkavor China Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

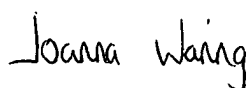
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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.



.....
Joanna Waring FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Statutory Auditor
Nottingham
United Kingdom

Date: 10 September 2019

Bakkavor China Limited

Profit and Loss Account for the Period from 31 December 2017 to 29 December 2018

	Note	2018 £ 000	2017 £ 000
Administrative expenses		-	(6)
Operating loss		-	(6)
Other interest receivable and similar income	6	624	711
Other gains/(losses)	4	67	(35)
Profit before tax		691	670
Tax on profit	7	(253)	8
Profit for the period		<u>438</u>	<u>678</u>

The above results were derived from continuing operations.

The Company has no comprehensive income other than the result above and therefore no separate statement of comprehensive income is presented.

Bakkavor China Limited

Statement of Changes in Equity for the Period from 31 December 2017 to 29 December 2018

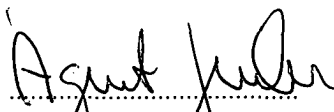
	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	4	42,994	(18,923)	24,075
Profit for the period	-	-	678	678
New share capital subscribed	-	12,626	-	12,626
At 30 December 2017	<u>4</u>	<u>55,620</u>	<u>(18,245)</u>	<u>37,379</u>

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 31 December 2017	4	55,620	(18,245)	37,379
Profit for the period	-	-	438	438
New share capital subscribed	-	15,773	-	15,773
At 29 December 2018	<u>4</u>	<u>71,393</u>	<u>(17,807)</u>	<u>53,590</u>

Bakkavor China Limited**(Registration number: 05661425)****Balance Sheet as at 29 December 2018**

		29 December 2018 £ 000	30 December 2017 £ 000
	Note		
Fixed assets			
Investments in subsidiaries	8	47,514	30,882
Investments in associate	8	6,110	6,110
		<u>53,624</u>	<u>36,992</u>
Current assets			
Debtors	9	9	8
Cash at bank and in hand		277	379
		<u>286</u>	<u>387</u>
Creditors: Amounts falling due within one year	10	(320)	-
Net current (liabilities)/assets		<u>(34)</u>	<u>387</u>
Total assets less current liabilities		<u>53,590</u>	<u>37,379</u>
Net assets		<u>53,590</u>	<u>37,379</u>
Capital and reserves			
Called up share capital	11	4	4
Share premium	11	71,393	55,620
Profit and loss account	11	(17,807)	(18,245)
Shareholders' funds		<u>53,590</u>	<u>37,379</u>

Approved by the Board and authorised for issue on 9/9/19 and signed on its behalf by:


A Gudmundsson
Director

The notes on pages 12 to 22 form an integral part of these financial statements.

Bakkavor China Limited

Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018

1 General information

The Company is a private company limited by share capital incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The Company's registered office address can be found on page 1.

The principal activity of the Company is that of a holding company which manages investment opportunities in China.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework (FRS 101)'. As permitted under section 390 (3) of the Companies Act 2006, the Company has taken the option to end its financial period on the Saturday nearest to 31 December, as this is not more than 7 days after or before the end of the period dated 31 December.

The financial statements have been prepared on the historical cost basis and are presented in the currency of the primary economic environment in which the Company operates. For the purpose of the financial statements, the results and financial position are expressed in Pounds Sterling, which is the functional currency of the Company.

Summary of disclosure exemptions

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 Group plc. The group accounts of Bakkavor Group plc are available to the public and can be obtained as set out in the controlling party note.

Going concern

The Directors' have reviewed the historical trading performance of the Company and the forecasts through to September 2020, to assess the level of finance required by the Company. The going concern basis has been adopted in preparing these financial statements, refer to the Directors' Report for the Directors' consideration of going concern.

Bakkavor China Limited

Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

2 Accounting policies (continued)

Exemption from preparing group accounts

The financial statements contain information about Bakkavor China Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent Bakkavor Group plc, a company incorporated in the United Kingdom.

Changes in accounting policy

New standards, interpretations and amendments effective

In the current period, the Company has adopted the following Standards and Interpretations with no material impact on the financial statements of the Company.

Amendments:

IFRS 2 Classification and Measurement of Share-based Payment Transactions

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Various Annual Improvements to IFRS Standards 2014-2016 cycle

Various IFRS 10, IFRS 12 and IAS 28: 'Investment Entities, Applying the Consolidation Exception'

Dividend income policy

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.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that an amount attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Where the Company transfers tax losses to another member of the group, the entity obtains an amount of compensation from the respective group member ('group relief payments') and vice versa. Such payments are treated as if they were income taxes to the extent that the intragroup payment is for an amount of tax that would otherwise have been paid by the paying company. If the compensation amount differs, the difference is treated as a distribution or a capital contribution as applicable.

Bakkavor China Limited

Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

2 Accounting policies (continued)

Investments

Investments in subsidiaries 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.

If in a subsequent period, the amount of 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.

Subsidiaries and associate

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.

Associate

An investment in 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. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Share capital

Ordinary shares are classified as equity.

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.

Bakkavor China Limited

Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

2 Accounting policies (continued)

Financial assets and liabilities

Classification

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 are measured at amortised cost using the effective interest method, less any impairment.

Financial liabilities held by the Company are classified as other financial liabilities. The classification is according to the substance of the contractual arrangements entered into.

Recognition and measurement

Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value.

Financial liabilities 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.

Impairment

Financial assets are assessed for indicators of impairment at each Balance sheet date and 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.

3 Critical accounting judgements and key sources of estimation uncertainty

The following were areas of particular significance to the Company's financial statements and include the application of judgement, which is fundamental to the compilation of the financial statements.

Investments - key source of estimation uncertainty

The Company evaluated whether there were any potential impairment or impairment reversal indicators present at 29 December 2018 and concluded that is not the case.

The recoverable amounts of the investments are determined based on the higher of net realisable value and value in use calculations, which require the use of estimates. The key estimates that can impact the value in use calculations are changes to the growth rates applied to derive a five-year forecast, or a movement in the discount rate applied to the future cash flows. These are key estimates as they are subjective in nature and a significant assumption is required and any changes to assumptions may lead to impairment charges being recognised.

At 29 December 2018, investment in subsidiaries have a carrying value of £47,514,000 (2018: £30,882,000).

There are no areas in which the application of critical accounting judgements has been considered necessary in the compilation of these financial statements.

Bakkavor China Limited

Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

4 Other gains/(losses)

The analysis of the Company's other gains and (losses) for the period is as follows:

	2018	2017
	£ 000	£ 000
Foreign currency gains/(losses)	<u>67</u>	<u>(35)</u>

5 Directors, Employees and auditor remuneration

The Directors have received no emoluments for their services to the Company in either financial period presented and were paid through Bakkavor Foods Limited. The Directors are considered to be the key management personnel of the Company.

The Company had no employees for the period ended 29 December 2018 (2017: nil).

Fees of £5,000 (2017: £5,000) payable to the Company's auditor in respect of the statutory audit of the Company's financial statements for the period ended 29 December 2018 have been borne by Bakkavor Foods Limited.

No non-audit fees were charged to the Company for the period ended 29 December 2018 (2017: £nil).

6 Other interest receivable and similar income

	2018	2017
	£ 000	£ 000
Dividend income from associates	<u>624</u>	<u>711</u>

Bakkavor China Limited

Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

7 Taxation

Tax charged/(credited) in the profit and loss account

	2018 £ 000	2017 £ 000
Current taxation		
Corporation tax - Prior year	240	-
Group loss relief - Current year	<u>13</u>	<u>(8)</u>
Total tax charge/(credit)	<u>253</u>	<u>(8)</u>

Corporation tax is calculated at 19% (2017: 19.25%) of the estimated result for the period. The tax for the period is reconciled to the profit and loss account as follows:

	2018 £ 000	2017 £ 000
Profit before tax	<u>691</u>	<u>670</u>
Corporation tax at standard rate	131	129
Increase in current tax from adjustment for prior periods	240	-
Effect of revenues exempt from taxation	<u>(118)</u>	<u>(137)</u>
Total tax charge/(credit)	<u>253</u>	<u>(8)</u>

The UK corporation tax rate reduced from 20% to 19% from 1 April 2017. In accordance with the Finance Act 2016, the UK corporation tax rate will reduce to 17% in 2020.

8 Investments in subsidiaries and associate

Subsidiaries	£ 000
Cost	
At 31 December 2017	47,135
Additions	<u>16,632</u>
At 29 December 2018	63,767
Impairment	
At 31 December 2017 and 29 December 2018	<u>16,253</u>
Carrying amount	
At 29 December 2018	<u>47,514</u>
At 30 December 2017	<u>30,882</u>

Bakkavor China Limited

Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

8 Investments in subsidiaries and associate (continued)

On 31 December 2017 the Company invested £444,268 into Bakkavor Hong Kong Limited. On 18 December 2018 the Company invested £16,187,737 into Bakkavor Hong Kong Limited.

On 27 December 2017 the Company invested £13,000,450 into Bakkavor Hong Kong Limited.

Details of the subsidiaries as at 29 December 2018 were as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Creative Food Group Limited*	Production and manufacture of salad products	Units 1902-1912, 19/F., Eight Commercial Tower, No 8 Sun Yip Street, Chai Wan. Hong Kong	100%	100%
Bakkavor Hong Kong Limited*	Preparation and marketing of fresh prepared foods	Units 1902-1912, 19/F., Eight Commercial Tower, No 8 Sun Yip Street, Chai Wan. Hong Kong	100%	100%
Bakkavor China Holdings Limited	Production and manufacture of salad products	Units 1902-1912, 19/F., Eight Commercial Tower, No 8 Sun Yip Street, Chai Wan. Hong Kong	100%	100%
Creative Agriculture Holdings Limited	Production and manufacture of salad products	Units 1902-1912, 19/F., Eight Commercial Tower, No 8 Sun Yip Street, Chai Wan. Hong Kong	100%	100%
Jiangsu Creative Agriculture Produce Development Company Limited	Production and manufacture of salad products	Agricultural Development Area, Changle Town, Haimen City, Jiangsu Province. China	100%	100%
Nantong Creative Agriculture Produce Development Company Limited	Production and manufacture of salad products	No. 18 Group, Lingshu Village, Dong Zaogang Town, Haimen City, Jiangsu Province. China	100%	100%

Bakkavor China Limited

Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

8 Investments in subsidiaries and associate (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Wuhan Bakkavor Food Company Limited	Production and manufacture of salad products	Mujiaping ZhangDuHu Farm, Xinzhou District, Wuhan. China	100%	100%
Shanghai Creative Food Company Limited	Production and manufacture of salad products	No. 279 Jiaqian Road, Nanxiang Developing Area, Jiading District, Shanghai. China	100%	100%
Beijing Bakkavor Food Company Limited	Production and manufacture of salad products	South Xitai Road, Da Sun Gezhuang Town, Shunyi District, Beijing China	100%	100%
Guangzhou Creative Food Company Limited	Production and manufacture of salad products	No. 55 Banyutang Road, High Tech Development Area, Guangzhou. China	100%	100%
Bakkavor (Shanghai) Management Company Limited	Holding company	Room 01, 3A Floor, Number 16 Lane 1977, Jinshajiang Road, Putuo District, Shanghai. China	100%	100%
Shaanxi Bakkavor Food Company Limited	Production and manufacture of salad products	Qinghua Keji Garden, Middle of Shiji Road, Xianyang City, Shanxi Province. China	100%	100%
Fujian Bakkavor Food Company Limited	Production and manufacture of salad products	Jiulong Industry Park of Hua An Economic Development Zone. China	100%	100%
Bakkavor (Taicang) Baking Company Limited	Production and manufacture of bakery products	29 Qingdao East Road, Taicang. China	100%	100%

Bakkavor China Limited

Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

8 Investments in subsidiaries and associate (continued)

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Chengdu Bakkavor Food Company Limited	Production and manufacture of salad products	520 Rongtai road, Chengdu Cross-Straits Science & Technology Industry Development Park, Wenjiang district, Chengdu. China	100%	100%

* indicates direct investment of Bakkavor China Limited.

Associate

	£ 000
Cost	
At 31 December 2017	6,110
At 29 December 2018	6,110
Carrying amount	
At 30 December 2017 and 29 December 2018	6,110

Details of the associate as at 29 December 2018 were as follows:

Name of associate	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2018	2017
La Rose Noire Limited *	Production of bakery and pastry products.	2/F Corporation Squarem 8 Lam Lok Street, Kowloon Bay, Kowloon. Hong Kong	45%	45%

* indicates direct associate of Bakkavor China Limited.

Bakkavor China Limited

Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

9 Debtors

	2018 £ 000	2017 £ 000
Amounts due from related parties	8	8
Prepayments	1	-
Total current trade and other debtors	<u>9</u>	<u>8</u>

Amounts due from related parties are unsecured, are non-interest bearing and are repayable on demand.

10 Creditors: Amounts falling due within one year

	2018 £ 000	2017 £ 000
Amounts due to related parties	80	-
Corporation tax payable	240	-
	<u>320</u>	<u>-</u>

Amounts due to related parties are unsecured, are non-interest bearing and are repayable on demand, although, due to the letter of support issued by Creative Food Group Limited, the loan will not need to be repaid prior to September 2020.

11 Share capital and reserves

Allotted, called up and fully paid shares

	29 December 2018		30 December 2017	
	No.	£	No.	£
Ordinary shares of £1 each	4,110	4,110	4,108	4,108

2018

During the period ended 29 December 2018, the Company issued two ordinary £1 shares to Bakkavor Asia Limited for £15,773,033 which was used to increase the Company's investment in both Bakkavor China Holdings and Bakkavor Hong Kong Limited. This created share premium of £15,773,031.

2017

During the period ended 30 December 2017, the Company issued one ordinary £1 share to Bakkavor Asia Limited for £12,625,581 which was used to increase the Company's investment in both Bakkavor China Holdings and Bakkavor Hong Kong Limited. This created share premium of £12,625,580.

Bakkavor China Limited

Notes to the Financial Statements for the Period from 31 December 2017 to 29 December 2018 (continued)

11 Share capital and reserves (continued)

Share premium account

The share premium account represents amounts received by the Company over and above the nominal value of shares issued.

Profit and loss account

The profit and loss account represents the accumulated distributable reserves of the Company.

12 Contingent liabilities

As at the 29 December 2018, there were no legal claims or potential claims against the Company (2017: £nil) and therefore no provision is considered necessary in the financial statements.

The Company, along with certain other group companies, is a guarantor of the Group's debt facilities. The total amount of Group facilities that this relates to is £447.5 million (2017: £447.5 million).

13 Non adjusting events after the financial period

There are no significant events after the balance sheet date to report.

14 Parent and ultimate parent undertaking

The Company's immediate parent is Bakkavor Asia Limited.

The ultimate parent and ultimate controlling party is Bakkavor Group plc, a company registered in the United Kingdom.

The parent undertaking of the largest and smallest group, which includes the Company and for which group accounts are prepared, is Bakkavor Group plc. These financial statements are available upon request from Bakkavor Group plc's registered office, Fitzroy Place, 5th Floor, 8 Mortimer Street, London, W1T 3JJ, United Kingdom.