Financial Statements
TSC Foods Group Limited

For the year ended 21 December 2013

Registered number: 06919167

Company Information

Directors	C Taylor S Gamble P Armitage (resigned 31 January 2014) M Allibone M Taylor C Baxter M Wood T G Stannard (resigned 31 January 2014) W A Morran (resigned 31 January 2014) D K Bondi D Marshall (appointed 31 January 2014) L L R Whiteley (appointed 31 January 2014)
Company secretary	D Marshall
Registered number	06919167
Registered office	Cunard Building Water Street Liverpool Merseyside L3 1EL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor No 1 Whitehall Riverside Leeds West Yorkshire LS1 4BN
Bankers	Yorkshire Bank 94 Albion Street Leeds LS1 6AG

Contents

Directors' report
For the year ended 21 December 2013

The directors present their report and the financial statements for the year ended 21 December 2013.

Results

The profit for the year, after taxation, amounted to £2,372,000 (2012 - £1,626,000).

Directors

The directors who served during the year and since the year end were:

C Taylor
S Gamble
P Armitage (resigned 31 January 2014)
M Allibone
M Taylor
C Baxter
M Wood
T G Stannard (resigned 31 January 2014)
W A Morran (resigned 31 January 2014)
D K Bondi

Employee involvement

The group operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the company has been continued through monthly briefings at all levels and via the Company Work's Council employees who have also been encouraged to present their suggestions and views on the company's decision making process and key performance areas. Regular meetings are held between management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business, via specific team and individual KPI's, through continuous improvement initiatives across the business, resulting ultimately in increase in the group's profit levels.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Going concern

The consolidated financial statements have been prepared on a going concern basis. The directors have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors.

As a consequence the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing their report and financial statements.

Directors' report

For the year ended 21 December 2013

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 July 2014 and signed on its behalf.

Matthew Wood

M Wood
Director

Group strategic report
For the year ended 21 December 2013

Principal activities and review of business

The principal activities of the group during the period were the manufacture of high quality chilled and frozen sauces, soups and deli style products into the food service and retail market places.

The group has continued to benefit from sales growth during the year despite economic pressures within the market and economy as a whole.

Operational profit remained one of the key areas of focus during the year and, with continued investment in both resource and new equipment the company achieved profit improvements in comparison to prior year.

The group continues to invest in resources and equipment to ensure it remains efficient and to provide world class innovation and levels of customer service.

The GLORIOUS! brand continues to strengthen and remains a key strategic objective to grow the brand even further in the future.

Overall, the directors were very pleased with the performance of the business in 2013 and remain confident that 2014 will see the company further enhance its performance levels and strengthen its position in the market.

On 31 January 2014 the TSC Foods Group was acquired by the Edward Billington and Son Limited Group. As a result, all of the debt finance in place at the year end was replaced by loans from the Edward Billington and Son Limited Group.

Principal risks and uncertainties

In line with the rest of the food manufacturing industry the directors have identified the following as the more significant risks and uncertainties faced by the group: customer retention, margin pressure as raw materials and utility costs increase, competition and, ultimately, profitability given the inherent cost base of the business required to support its activities in its chosen markets.

The directors believe that extremely tight and robust internal control processes and specific customer agreements in place, aligned to world class levels of customer service, provide the group with very good protection in relation to the principal risks and uncertainties faced.

Financial key performance indicators

The Management focus extremely closely on an hourly, daily, weekly and monthly basis on all significant facets of the business to ensure continuous improvement is delivered in all areas.

Significant recent investment in systems and organisational strengthening ensure that the following KPIs are closely monitored to ensure progress in achieving the group's objectives.

- Organic profitable sales growth - increase in sales revenue by market/ customer on a profitable basis.

- Margin return on sales - gross profit as a percentage of sales revenue.

- Net return on sales (8.7% in 2014 v 7.2% in 2012) - operating profit as a percentage of sales revenue.

Group strategic report (continued)
For the year ended 21 December 2013

This report was approved by the board on 28 July 2014 and signed on its behalf.

Matthew Wood

M Wood
Director

GrantThornton

Independent auditor's report to the members of TSC Foods Group Limited

We have audited the financial statements of TSC Foods Group Limited for the year ended 21 December 2013, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 21 December 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GrantThornton

Independent auditor's report to the members of TSC Foods Group 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 by the parent company, 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.

Grant Thornton UK LLP.

Andrew Wood (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Leeds

28 July 2014

Consolidated profit and loss account

For the year ended 21 December 2013

	Note	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Turnover	1,2	**45,241**	44,217
Raw materials and consumables		**(24,864)**	(24,489)
Other external charges		**(5,397)**	(6,061)
Exceptional other external charges		**(114)**	-
Total other external charges		**(5,511)**	(6,061)
Staff costs		**(9,540)**	(9,110)
Depreciation and amortisation		**(1,376)**	(1,361)
Operating profit	3	**3,950**	3,196
Interest payable and similar charges	8	**(775)**	(869)
Profit on ordinary activities before taxation		**3,175**	2,327
Tax on profit on ordinary activities	9	**(803)**	(701)
Profit for the financial year	20	**2,372**	1,626

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 11 to 25 form part of these financial statements.

Consolidated balance sheet
As at 21 December 2013

	Note	£000	21 December 2013 £000	£000	22 December 2012 £000
Fixed assets					
Intangible assets	10		**5,801**		6,175
Tangible assets	11		**6,466**		6,306
			12,267		12,481
Current assets					
Stocks	14	**5,164**		4,393	
Debtors	15	**8,512**		8,940	
Cash at bank		**1,517**		168	
		15,193		13,501	
Creditors: amounts falling due within one year	16	**(10,233)**		(10,566)	
Net current assets			**4,960**		2,935
Total assets less current liabilities			**17,227**		15,416
Creditors: amounts falling due after more than one year	17		**(7,454)**		(8,015)
Net assets			**9,773**		7,401
Capital and reserves					
Called up share capital	19		**3,000**		3,000
Profit and loss account	20		**6,773**		4,401
Shareholders' funds	21		**9,773**		7,401

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 July 2014.

Matthew Wood

M Wood
Director

The notes on pages 11 to 25 form part of these financial statements.

Company balance sheet
As at 21 December 2013

	Note	£000	21 December 2013 £000	£000	22 December 2012 £000
Fixed assets					
Investments	13		**14,932**		14,932
Current assets					
Debtors	15	**-**		43	
Cash at bank		**8**		12	
		8		55	
Creditors: amounts falling due within one year	16	**(7,454)**		(6,218)	
Net current liabilities			**(7,446)**		(6,163)
Total assets less current liabilities			**7,486**		8,769
Creditors: amounts falling due after more than one year	17		**(7,288)**		(7,853)
Net assets			**198**		916
Capital and Reserves					
Called up share capital	19		**3,000**		3,000
Profit and loss account	20		**(2,802)**		(2,084)
Shareholders' funds	21		**198**		916

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 July 2014.

Matthew Wood

M Wood
Director

The accounting policies and notes on pages 11 to 25 form part of these financial statements.

Consolidated cash flow statement

For the year ended 21 December 2013

	Note	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Net cash flow from operating activities	22	**4,998**	4,355
Returns on investments and servicing of finance	23	**(690)**	(843)
Taxation		**(650)**	(371)
Capital expenditure and financial investment	23	**(946)**	(548)
Cash inflow before financing		**2,712**	2,593
Financing	23	**(1,363)**	(2,061)
Increase in cash in the year		**1,349**	532

Reconciliation of net cash flow to movement in net debt

For the year ended 21 December 2013

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Increase in cash in the year	**1,349**	532
Cash outflow from decrease in debt and lease financing	**1,363**	2,061
Change in net debt resulting from cash flows	**2,712**	2,593
New finance lease	**(204)**	(240)
Other non-cash changes	**(94)**	(124)
Movement in net debt in the year	**2,414**	2,229
Net debt at 23 December 2012	**(9,120)**	(11,349)
Net debt at 21 December 2013	**(6,706)**	(9,120)

The accounting policies and notes on pages 11 to 25 form part of these financial statements.

Notes to the financial statements
For the year ended 21 December 2013

1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Basis of consolidation

The financial statements consolidate the accounts of TSC Foods Group Limited and all of its subsidiary undertakings ('subsidiaries').

1.3 Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue from the sale of goods is recognised when significant risks and benefits of ownership of the product have been transferred to the buyer, which may be upon shipment or completion of the product.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Goodwill - 20 years
Trademark - 20 years

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property	-	over 20 years
Plant & machinery	-	5-15 years
Motor vehicles	-	3 years
Office equipment	-	5-15 years

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Notes to the financial statements
For the year ended 21 December 2013

1. Accounting policies (continued)

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Operating leases

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

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.11 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

Notes to the financial statements

For the year ended 21 December 2013

1. Accounting policies (continued)

1.12 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. Turnover

The whole of the turnover is attributable to the one principal activity of the group.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging/(crediting):

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Amortisation - intangible fixed assets	**374**	374
Depreciation of tangible fixed assets:		
- owned by the group	**909**	852
- held under finance leases	**92**	135
Operating lease rentals:		
- plant and machinery	**251**	270
- other operating leases	**664**	697
Profit on sale of tangible assets	**(13)**	(19)

Notes to the financial statements

For the year ended 21 December 2013

4. Auditors' remuneration

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	5	5
Fees payable to the company's auditor and its associates in respect of:		
The auditing of accounts of subsidiaries of the company pursuant to legislation	15	16
Taxation compliance services	6	4
Vendor due diligence	110	-

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Wages and salaries	8,607	8,250
Social security costs	804	738
Other pension costs	129	122
	9,540	9,110

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

	Year ended 21 December 2013 No.	Year ended 22 December 2012 No.
Production staff	289	268
Administrative staff	113	107
	402	375

Notes to the financial statements

For the year ended 21 December 2013

6. Directors' remuneration

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Remuneration	**708**	703
Company pension contributions to defined contribution pension schemes	**30**	33

During the year retirement benefits were accruing to 6 directors (2012 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £157,000 (2012 - £158,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,000 (2012 - £11,000).

7. Exceptional items

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Exceptional cost	**114**	-

Exceptional cost in the year relates to the vendor initiated financial due diligence on the group.

8. Interest payable

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
On bank loans and overdrafts	**119**	303
On other loans	**527**	434
On finance leases and hire purchase contracts	**38**	23
Other interest payable	**91**	109
	775	869

Notes to the financial statements

For the year ended 21 December 2013

9. Taxation

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	618	464
Adjustments in respect of prior periods	(53)	(49)
Total current tax	565	415
Deferred tax (see note 18)		
Origination and reversal of timing differences	238	286
Tax on profit on ordinary activities	803	701

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - higher than) the standard rate of corporation tax in the UK of 23% (2012 - 24%). The differences are explained below:

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Profit on ordinary activities before tax	3,175	2,327
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2012 - 24%)	730	558
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	70	257
Capital allowances for year in excess of depreciation	(200)	(233)
Research and development claim	(71)	-
Adjustments to tax charge in respect of prior periods	(53)	(49)
Other timing differences	2	-
Group income not taxable	-	(217)
Rate change	7	9
Goodwill on consolidation	80	90
Current tax charge for the year (see note above)	565	415

Notes to the financial statements
For the year ended 21 December 2013

10. Intangible fixed assets

Group	Trademarks £000	Goodwill £000	Total £000
Cost			
At 23 December 2012 and 21 December 2013	520	6,948	7,468
Amortisation			
At 23 December 2012	92	1,201	1,293
Charge for the year	26	348	374
At 21 December 2013	118	1,549	1,667
Net book value			
At 21 December 2013	402	5,399	5,801
At 22 December 2012	428	5,747	6,175

11. Tangible fixed assets

Group	Leasehold Property £000	Plant & machinery £000	Motor vehicles £000	Office equipment £000	Total £000
Cost					
At 23 December 2012	1,283	7,894	124	279	9,580
Additions	268	791	59	56	1,174
Disposals	-	(2)	(93)	-	(95)
At 21 December 2013	1,551	8,683	90	335	10,659
Depreciation					
At 23 December 2012	714	2,325	79	156	3,274
Charge for the year	210	702	59	30	1,001
On disposals	-	-	(82)	-	(82)
At 21 December 2013	924	3,027	56	186	4,193
Net book value					
At 21 December 2013	627	5,656	34	149	6,466
At 22 December 2012	569	5,569	45	123	6,306

Notes to the financial statements
For the year ended 21 December 2013

11. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group	21 December 2013 £000	22 December 2012 £000
Plant and machinery	**650**	1,311
Motor vehicles	**79**	75
	729	1,386

Depreciation was charged on the assets above of £92,000 (2011: £188,000).

12. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
TSC Foods Limited	England & Wales	100	Food manufacturer
SauceInvest Limited	England & Wales	100	Holding Company

13. Fixed asset investments

Company	Investments in subsidiary companies £000
Cost or valuation	
At 23 December 2012 and 21 December 2013	**14,932**
Net book value	
At 21 December 2013	**14,932**
At 22 December 2012	14,932

Details of the principal subsidiaries can be found under note number 12.

Notes to the financial statements

For the year ended 21 December 2013

14. Stocks

	Group		Company	
	21 December 2013 £000	24 December 2012 £000	**21 December 2013 £000**	22 December 2012 £000
Raw materials	**3,206**	2,695	**-**	-
Finished goods and goods for resale	**1,958**	1,698	**-**	-
	5,164	4,393	**-**	-

15. Debtors

	Group		Company	
	21 December 2013 £000	22 December 2012 £000	**21 December 2013 £000**	22 December 2012 £000
Trade debtors	**6,898**	6,895	**-**	-
Other debtors	**941**	903	**-**	43
Prepayments and accrued income	**417**	648	**-**	-
Deferred tax asset (see note 18)	**256**	494	**-**	-
	8,512	8,940	**-**	43

All of the trade debtors are subject to invoice discounting. Advances drawn against these debtors at the year end are shown within Creditors amounts falling due within one year or cash.

16. Creditors: Amounts falling due within one year

	Group		Company	
	21 December 2013 £000	22 December 2012 £000	**21 December 2013 £000**	22 December 2012 £000
Bank loans and overdrafts	**630**	840	**630**	840
Less: unamortised loan issue costs	**(65)**	(94)	**(65)**	(94)
Amounts due under hire purchase agreements	**204**	527	**-**	-
Trade creditors	**6,600**	6,009	**-**	-
Amounts owed to group undertakings	**-**	-	**6,850**	5,426
Corporation tax	**277**	362	**-**	-
Other taxation and social security	**213**	227	**-**	-
Other creditors	**151**	121	**-**	-
Accruals and deferred income	**2,223**	2,574	**39**	46
	10,233	10,566	**7,454**	6,218

Notes to the financial statements

For the year ended 21 December 2013

16. Creditors: Amounts falling due within one year (continued)

The invoice discounting advances and bank loans are secured by a debenture over the entire assets of the company's principal subsidiary undertaking, TSC Foods Limited. At the current period end the invoice discounting account was in an asset position and hence disclosed as cash.

17. Creditors: Amounts falling due after more than one year

	Group		Company	
	21 December 2013 £000	22 December 2012 £000	**21 December 2013 £000**	22 December 2012 £000
Loan notes	**5,850**	5,850	**5,850**	5,850
Bank loans	**1,500**	2,130	**1,500**	2,130
Less: unamortised loan issue costs	**(62)**	(127)	**(62)**	(127)
Amounts due under hire purchase agreements	**166**	162	**-**	-
	7,454	8,015	**7,288**	7,853

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	21 December 2013 £000	22 December 2012 £000	**21 December 2013 £000**	22 December 2012 £000
Between one and five years	**166**	162	**-**	-

Bank loans include £1,500,000 which is repayable in January 2015. Cross guarantees and debentures are given as security between TSC Foods Group Limited, TSC Foods Limited and SauceInvest Limited.

The loan notes are all repayable in January 2015. They attract a fixed rate of interest of 8% on £4,150,000 and 6% on £1,700,000.

On 31 January 2014 all of the loan notes and bank loans were repaid and replaced with group loans from the Edward Billington and Sons Limited group.

Notes to the financial statements
For the year ended 21 December 2013

18. Deferred taxation

	Group		Company	
	21 December 2013 £000	22 December 2012 £000	**21 December 2013 £000**	22 December 2012 £000
At beginning of year	**494**	780	-	-
Charge for the year	**(238)**	(286)	-	-
At end of year	**256**	494	-	-

The deferred taxation balance is made up as follows:

	Group		Company	
	21 December 2013 £000	22 December 2012 £000	**21 December 2013 £000**	22 December 2012 £000
Accelerated capital allowances	**252**	492	-	-
Other timing differences	**4**	2	-	-
	256	494	-	-

19. Share capital

	21 December 2013 £000	22 December 2012 £000
Authorised, allotted, called up and fully paid		
1,515,001 A Ordinary shares of £1 each	**1,515**	1,515
1,034,999 B Ordinary shares of £1 each	**1,035**	1,035
450,000 C Ordinary shares of £1 each	**450**	450
	3,000	3,000

The A, B and C Ordinary shares rank passu in respect of income and capital.

The A, B and C Ordinary shares also rank pari passu in respect of voting rights unless a specified event (as defined in the Articles of the company) occurs in which case a voting adjustment notice is delivered and the A Ordinary shareholders voting rights increase until the special event is rectified and the written notice is given to the company cancelling the voting adjustment notice.

Notes to the financial statements

For the year ended 21 December 2013

20. Reserves

Group	Profit and loss account £000
At 23 December 2012	4,401
Profit for the year	2,372
At 21 December 2013	6,773

Company	Profit and loss account £000
At 23 December 2012	(2,084)
Loss for the year	(718)
At 21 December 2013	(2,802)

21. Reconciliation of movement in shareholders' funds

Group	21 December 2013 £000	22 December 2012 £000
Opening shareholders' funds	7,401	5,775
Profit for the year	2,372	1,626
Closing shareholders' funds	9,773	7,401

Company	21 December 2013 £000	22 December 2012 £000
Opening shareholders' funds	916	777
(Loss)/profit for the financial year	(718)	139
Closing shareholders' funds	198	916

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The (loss)/profit for the year dealt with in the accounts of the company was (£718,000) (2012 - £139,000).

Notes to the financial statements

For the year ended 21 December 2013

22. Net cash flow from operating activities

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Operating profit	**3,950**	3,196
Amortisation of intangible fixed assets	**374**	374
Depreciation of tangible fixed assets	**1,001**	987
Profit on disposal of tangible fixed assets	**(13)**	(19)
Increase in stocks	**(771)**	(123)
Decrease/(increase) in debtors	**190**	(885)
Increase in creditors	**267**	825
Net cash inflow from operating activities	**4,998**	4,355

23. Analysis of cash flows for headings netted in cash flow statement

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Returns on investments and servicing of finance		
Interest paid	**(652)**	(820)
Hire purchase interest	**(38)**	(23)
Net cash outflow from returns on investments and servicing of finance	**(690)**	(843)

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(970)**	(569)
Sale of tangible fixed assets	**24**	21
Net cash outflow from capital expenditure	**(946)**	(548)

Notes to the financial statements

For the year ended 21 December 2013

23. Analysis of cash flows for headings netted in cash flow statement (continued)

	Year ended 21 December 2013 £000	Year ended 22 December 2012 £000
Financing		
Repayment of loans	(840)	(1,445)
Repayment of finance leases	(523)	(616)
Net cash outflow from financing	**(1,363)**	(2,061)

24. Analysis of changes in net debt

	23 December 2012 £000	Cash flow £000	Other non-cash changes £000	21 December 2013 £000
Cash at bank and in hand	168	1,349	-	1,517
Debt:				
Debts due within one year	(1,273)	1,363	(859)	(769)
Debts falling due after more than one year	(8,015)	-	561	(7,454)
Net debt	**(9,120)**	**2,712**	**(298)**	**(6,706)**

25. Capital commitments

At 21 December 2013 the group and company had capital commitments as follows:

	Group		Company	
	21 December 2013 £000	22 December 2012 £000	21 December 2013 £000	22 December 2012 £000
Contracted for but not provided in these financial statements	-	55	-	-

26. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £129,000 (2012: £121,000). Contributions totalling £40,033 (2012: £19,444) were payable to the fund at the balance sheet date.

Notes to the financial statements

For the year ended 21 December 2013

27. Operating lease commitments

At 21 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	21 December 2013	22 December 2012	**21 December 2013**	22 December 2012
Group	**£000**	£000	**£000**	£000
Expiry date:				
Within 1 year	**-**	-	**308**	221
Between 2 and 5 years	**234**	235	**172**	479

28. Related party transactions

The company heads the TSC Foods Group Limited group of companies. Accordingly, the company has taken advantage of the exemption in FRS8 from disclosing transactions with members or investees of the group.

Within other debtors is an amount of £52,983 (2012: £18,450) owed by Mark Allibone, a director of TSC Foods Group Limited. This has subsequently been repaid post year end.

During the year an amount of £15,000 (2012: £15,000) was paid to BM Consultancy in respect of the services of W A Morran, a director of TSC Foods Group Limited.

During the year to 21 December 2013 two vehicles were sold to Matthew Wood, a director of TSC Foods Limited for £10,975. Those amounts were paid during the year and £nil was outstanding at the year end.

29. Ultimate parent undertaking and controlling party

From 31 January 2014, the company's immediate parent undertaking is Dickens 2014 Limited, a company incorporated in England and Wales.

From 31 January 2014, the company's ultimate parent company is Edward Billington and Son Limited, a company incorporated in England and Wales. Copies of its consolidated financial statements can be obtained from the company's registered office.