

**Cherry Midco 2 Limited**

Directors' report and financial  
statements

Registered number 07765548  
For the year ended 31 March 2013

TUESDAY



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## Directors' report

The directors present their first annual report and audited financial statements for the year ended 31 March 2013

### Principal activities and business review

The Company's principal activity is to hold investments in its subsidiaries

### Proposed dividend

The directors do not recommend the payment of a dividend (*period ended 31 March 2012 £Nil*)

### Going concern

Notwithstanding the Company's net current liabilities of £64,000, after making enquiries into the future trading forecasts and cash requirements the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to meet its obligations and continue in operational existence for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing the directors report and accounts

### Directors

The directors who held office during the year were as follows

|           |                            |
|-----------|----------------------------|
| A Horton  | (resigned 22 July 2013)    |
| J Ong     | (resigned 11 October 2013) |
| A Brooks  | (appointed 22 July 2013)   |
| R Francis | (appointed 22 July 2013)   |

### Political and charitable contributions

The Company made no political contributions or donations to charities during the year (*period ended 31 March 2012 £Nil*)

### Disclosure of information to auditor

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

### Auditor

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

By order of the board



R Francis  
Director

Lakeside 300  
Old Chapel Way  
Broadland Business Park  
Norwich  
NR7 0WG

23 December 2013

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

## **Independent auditor's report to the members of Cherry Midco 2 Limited**

We have audited the financial statements of Cherry Midco 2 Limited for the year ended 31 March 2013 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Cherry Midco 2 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

Wayne Cox

Wayne Cox (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*

23 December 2013

**Profit and loss account**  
*for the year ended 31 March 2013*

|  | <i>Note</i> | <b>Year ended<br/>31 March<br/>2013<br/>£000</b> | <b>Period ended<br/>31 March<br/>2012<br/>£000</b> |
|--|-------------|--|--|
| Interest payable and similar charges               | 3           | (64)   | -  |
| <b>Loss on ordinary activities before taxation</b> | 2           | (64)   | -  |
| Tax on loss on ordinary activities                 | 4           | -  | -  |
| <b>Loss for the financial period</b>               | 10          | (64)   | -  |

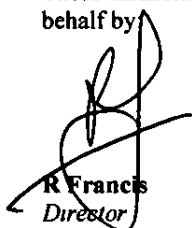
All operating results relate to continuing activities

There were no recognised gains or losses in the current financial period other than those disclosed in the profit and loss account

**Balance sheet**  
*at 31 March 2013*

|  | <i>Note</i> | <b>2013</b><br><b>£000</b> | <b>2012</b><br><b>£000</b> | <b>£000</b> |
|--|-------------|----------------------------|----------------------------|-------------|
| <b>Fixed assets</b>  |             |                            |                            |             |
| Investments  | 5           |                            | 509                        | 509         |
| <b>Current assets</b>  |             |                            |                            |             |
| Debtors  | 6           | 23,931                     | 23,931                     |             |
| Creditors: Amounts falling due within one year                 | 7           | (23,995)                   | (23,931)                   |             |
| <b>Net current liabilities</b>                                 |             |                            | (64)                       | -           |
| <b>Total assets less current liabilities, being net assets</b> |             |                            | 445                        | 509         |
| <b>Capital and reserves</b>                                    |             |                            |                            |             |
| Called up share capital  | 8           | 509                        | 509                        |             |
| Profit and loss account  | 9           | (64)                       | -                          |             |
| <b>Shareholders' funds</b>                                     | 10          | 445                        | 509                        |             |

These financial statements were approved by the board of directors on 23 December 2013 and were signed on its behalf by

  
R Francis  
Director

Company number 07765548



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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

#### *Basis of preparation*

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

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. The financial statements present information about the Company as an individual undertaking and not of its group.

Under FRS 1 'Cash flow statements' the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Cherry Topco Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Cherry Topco Limited, within which this Company is included, can be obtained from the address given in note 9.

#### *Going concern*

Notwithstanding the Company's net liabilities of £64,000, after making enquiries into the future trading forecasts and cash requirements, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Group has adequate resources to meet its obligations and continue in operational existence for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing the directors report and accounts.

#### *Investments*

In the Company's financial statements, investments in subsidiary undertakings, associates and joint ventures are stated at cost.

#### *Taxation*

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'.

#### *Classification of financial instruments issued by the company*

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

## Notes (continued)

### 1 Accounting policies (continued)

#### Classification of financial instruments issued by the company (continued)

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges

Finance payments associated with financial instruments that are classified as part of shareholder's funds, are dealt with as appropriation in the reconciliation of movements in shareholders' funds

### 2 Loss on ordinary activities before taxation

The directors do not receive any remuneration from this Company (2012 £Nil)

Auditor's remuneration is borne by another group company

### 3 Interest payable and similar charges

|                       | Year ended<br>31 March<br>2013<br>£000 | Period ended<br>31 March<br>2012<br>£000 |
|-----------------------|--|--|
| Loan arrangement fees | 64                                     | -  |

### 4 Taxation

#### (i) Analysis of credit for the period

|   | Year ended<br>31 March<br>2013<br>£000 | Period ended<br>31 March<br>2012<br>£000 |
|---|--|--|
| UK corporation tax                        |  |  |
| Current tax                               | -                                      | -  |
| Tax credit on loss on ordinary activities | -                                      | -  |

#### (ii) Factors affecting the tax credit for the period

The current tax credit for the period is lower (2012 the same as) than the standard rate of corporation tax in the UK of 24% (period ended 31 March 2012 26%) The differences are explained below

|   | Year ended<br>31 March<br>2013 | Period ended<br>31 March<br>2012<br>£000 |
|---|--------------------------------|--|
| Loss  |                                |  |
| Loss on ordinary activities before tax              | (64)                           | -  |
| Current tax at 24% (period ended 31 March 2012 26%) | (15)                           | -  |
| Effects of  |                                |  |
| Expenses not deductible for tax purposes            | 15                             | -  |
| Total current tax charge (see above)                | -                              | -  |

## Notes (continued)

### 4 Taxation (continued)

#### (iii) Factors affecting the tax charge for future periods

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

### 5 Fixed asset investments

|                                | Shares in subsidiary undertakings<br>£000 |
|--------------------------------|---|
| <i>Cost and net book value</i> |   |
| At beginning and end of year   | 509                                       |

### 6 Debtors

|                                    | 2013<br>£000 | 2012<br>£000 |
|------------------------------------|--------------|--------------|
| Amounts owed by Group undertakings | 23,931       | 23,931       |

### 7 Creditors: Amounts falling due within one year

|                                    | 2013<br>£000  | 2012<br>£000  |
|------------------------------------|---------------|---------------|
| Amounts owed to Group undertakings | 23,960        | 23,931        |
| Accruals and deferred income       | 35            | -             |
|                                    | <u>23,995</u> | <u>23,931</u> |

### 8 Called up share capital

|   | 2013<br>£000 | 2012<br>£000 |
|---|--------------|--------------|
| <i>Allotted, called up and fully paid</i> |              |              |
| 509 076 ordinary shares of £1 each        | 509          | 509          |

### 9 Reserves

|                      | Profit and loss account<br>£000 |
|----------------------|---------------------------------|
| At beginning of year | -                               |
| Loss for the year    | (64)                            |
| At end of year       | <u>(64)</u>                     |

## Notes (continued)

### 10 Reconciliation of movements in shareholders' funds

|  | 2013<br>£000 | 2012<br>£000 |
|--|--------------|--------------|
| Loss for the financial year                        | (64)         | -            |
| New share capital subscribed                       | -            | 509          |
| Net (reduction in)/addition to shareholders' funds | (64)         | 509          |
| Opening shareholders' funds                        | 509          | -            |
| <b>Closing shareholders' funds</b>                 | <b>445</b>   | <b>509</b>   |

### 11 Commitments

There were no capital commitments at the end of the financial year (2012 £Nil)

### 12 Related party transaction

As a wholly owned subsidiary of Cherry Topco Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group

### 13 Ultimate controlling party

The Company's immediate parent company is Cherry Midco 1 Limited, incorporated in the United Kingdom. Its ultimate parent company is Cherry Topco Limited, incorporated in the United Kingdom. The consolidated financial statements of the group are available to the public and may be obtained from Cherry Topco Limited, Lakeside 300, Old Chapel Way, Broadland Business Park, Norwich, Norfolk, NR7 0WG.