

Company Registration No. 03558065

BOPARAN HOLDINGS LIMITED

Report and Financial Statements

1 August 2015

BOPARAN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 1 August 2015

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BOPARAN HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C L Allen (Chairman)
B K Boparan
R S Boparan
A G Cripps (Non-executive)
D S J Gregory (Non-executive)
M R Hunter (Non-executive) (resigned 25 September 2014)
S P Leadbeater
S E Murray (Non-executive) (appointed 1 August 2015)
R C Rivaz (Non-executive) (appointed 1 August 2015)

REGISTERED OFFICE

Trinity Park House
Fox Way
Wakefield
WF2 8EE

BANKERS

Barclays Bank plc
1 Park Row
Leeds
LS1 6PU

BNP Paribas UK Ltd
10 Harewood Avenue
London
NW1 6AA

Goldman Sachs Bank USA
200 West Street
New York
NY 10282

HSBC Bank plc
8 Canada Square
London
E14 5HQ

JPMorgan Chase Bank
25 Bank Street
London
E14 5JP

The Royal Bank of Scotland plc
2 Whitehall Quay
Leeds
LS1 4HR

INDEPENDENT AUDITOR

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

BOPARAN HOLDINGS LIMITED

STRATEGIC REPORT

EXECUTIVE SUMMARY

The directors present their annual report and the audited financial statements for the 52 week period ended 1 August 2015.

PRINCIPAL ACTIVITIES

Boparan Holdings Limited (the Company) is the parent company which owns, directly or indirectly, companies constituting the 2 Sisters Food Group of companies (together herein defined as the Group).

The principal activity of the Group is food manufacture with diversified market positions in both own label and branded products. The Group reports its activities under three divisions of Protein, Chilled and Branded.

Key performance indicators

The Group uses a number of key performance indicators to manage the business.

- Turnover: £3,140.2m (2014: £3,419.2m); -8.2%
- Pre-exceptional operating profit including operating profit from the Group's share of joint ventures: £58.8m (2014: £89.5m); -34.3%
- EBITDA*: £144.3m (2014: £180.3m); -20.0%
- Adjusted EBITDA**: £164.5m (2014: £185.6m); -11.4%
- EBITDA margin %: 4.6% (2014: 5.3%);
- Net debt: £716.6m (2014: £664.6m);
- Net debt to EBITDA ratio: 4.97 times (2014: 3.69 times).

* EBITDA is operating profit including share of operating profit / (loss) from joint ventures, before depreciation, amortisation and exceptional items.

** Adjusted EBITDA excludes the one-off costs reported at Q2 relating to Avian Influenza (AI) and costs associated with a problematic IT system implementation, which totalled £17.4m, the impact of the 53rd week, discontinued operations and the impact of exchange translation.

In addition to financial key performance indicators the Group monitors and focuses on improving non-financial key performance indicators on an individual site basis, including customer service and quality levels, employee turnover, sickness absence rate, production waste levels, accident frequency rates, customer complaints and employee satisfaction.

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STRATEGIC REPORT (continued)

Business overview

During the period, the Group reported turnover of £3,140.2m (2014: £3,419.2m) and a pre-exceptional operating profit including operating profit from the Group's share of joint ventures of £58.8m (2014: £89.5m). The key drivers of performance during the period are set out in the trading performance section of this Strategic Report.

The Group has continued to evolve over the last 12 months and has made a number of significant changes focussed on costs, efficiency, investment, innovation and deepening customer relationships to build a better business.

The Group is constantly reviewing its operational activities to ensure they are conducted in the most efficient manner as the business transformation continues. The Group strives to attract the best talent to the business, realign the internal structures and drive through a manufacturing footprint review to maximise efficiencies and profitability. As part of this review opportunities were identified to improve operational effectiveness, reduce financial risk and generate additional cash flows.

As a result of this review, the Group ceased production at the Eye poultry processing site during the period, transferring the business to other group sites, and we streamlined operations at Gunstones Bakery and Fox's Biscuits.

Following the refinancing programme last year the Group benefited from reduced interest charges in the current year.

Trading performance

Overall turnover reduction of 8.2% largely reflects the disposal of the Corby and Avana businesses in prior period, but also a fall in like-for-like sales as a result of a difficult operating environment for the grocery industry, which has been characterised by continued food price deflation and a highly competitive grocery market in the current period.

The Group reported a loss before tax of £13.6m compared to a loss of £163.3m in the prior period, a decrease of £149.7m. This decrease was predominantly driven by a reduced level of exceptional items totalling £11.5m (2014: £101.1m) and the one-off refinancing fees of £62.4m incurred in 2014.

The reduction in exceptional items during the period reflects the closure of only one site in the current year compared with the closure of four manufacturing sites in the prior year.

Group EBITDA of £144.3m (2014: £180.3m) decreased by £36.0m in the period.

Protein

The Protein division has continued to feel the effects of the Avian Influenza outbreaks, negative consumer sentiment following FSA campylobacter reporting and the impact of food deflation throughout 2015. Sales from the division were down 6.8% to £2,167.5m. However positive volume trends experienced in the latter half of the year indicate progress in mitigating these market-wide issues.

During the period, the division further invested in an award-winning £10m campylobacter reduction programme launched last November. With the use of new factory interventions such as their secondary scalding technique, the division anticipates an even greater removal of campylobacter, reducing its presence to less than industry targets.

Operating profit before exceptional items of £27.3m (2014: £68.5m) was £41.2m lower than the previous period driven by market decline.

During the period the division has focussed on streamlining its production processes and logistics, resulting in the closure of the Eye poultry processing site. We continue to focus on improving our UK poultry footprint, and recently announced a major £150m investment programme which will revolutionise our poultry supply-chain end-to-end

BOPARAN HOLDINGS LIMITED

STRATEGIC REPORT (continued)

Trading performance (continued)

We have continued to cement our strong position with leading customers as well as securing major new business wins in Poultry and Red Meat with major retailers.

Chilled

The Chilled division reported a decrease in sales of 14.9% to £596.5m from £701.2m. This fall is largely as a result of the disposal of the Corby and Avana businesses which occurred in the prior period.

The operational turnaround of the Chilled division has continued with operating profit before exceptional items of £8.8m (2014: loss of £5.4m), an improvement of £14.2m year on year. This performance has been driven primarily by new contract wins in our ready meals businesses.

Building on this improvement, there is a focus on improving efficiency and investing in the division's innovation capability. We have commenced a £55m investment programme at our Meal Solutions business to support this growth strategy, which includes rebuilds and upgrades to four factories; to be completed in 2017.

Branded

Performance in the Branded division has remained stable, with sales decreasing by 4.0% for the period from £392.0m to £376.2m and operating profit before exceptional items decreasing by 12.0% to £22.7m (2014: £25.8m).

Within the Frozen sector, there has been an expansion of the Goodfella's range, with the launch of Deli Di Lusso and Little Fellas in the UK and the launch of Sweetfellas & Gluten Free in Ireland. Our Holland's Pies business continues to perform well and confirmed its position as the number one individual pie brand in the frozen pastry market.

The Group's Biscuits business has seen increased pressure in the current period due to intense market competition. To combat this, we undertook a restructure across our three biscuit manufacturing sites, and increased marketing spend, which have had a positive impact on earnings and market share. We have recently launched 'Frozen' and 'Star Wars' Disney licenced brands and are encouraged by initial customer response.

Financing

Long term funding for the Group is provided primarily through Senior Loan Notes. In July 2014, the Group refinanced its existing Senior Loan Notes raising new sterling notes totalling £580m with 5 and 7 year maturities and a euro note of €300m with a 7 year maturity replacing the existing £400m and €340m Senior Loan Notes respectively. The Group holds a cross currency swap against 85% of the euro denominated Senior Loan Notes, which together with cash flow from European businesses, has significantly reduced the exchange rate exposure.

In addition, the Group also replaced its existing £40m Revolving Credit Facility with a £60m facility which remained undrawn during the period and at the period end.

Net debt increased during the period from £664.6m at 2 August 2014 to £716.6m at 1 August 2015 with cash balances at that date of £118.7m (2014: £168.3m). The net debt:EBITDA ratio increased to 4.97 times from 3.69 times at 2 August 2014.

Total interest payable was £61.3m (2014: £153.4m) which was significantly lower than the prior period reflecting the full year impact of the refinancing.

No equity dividends were paid by the Group during the period (2014: £nil).

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STRATEGIC REPORT (continued)

Pensions

The net deficit after deferred tax for total Group post retirement schemes calculated under UK GAAP (FRS 17) increased from £192.7m to £267.2m. The increase in the deficit is predominately driven by the valuation assumptions which have been updated as at 1 August 2015 to reflect market conditions. Cash contributions to the defined benefit pension schemes were £19.6m (2014: £10.2m).

The balance sheet position of the post-retirement benefit schemes and the net pension financing in the profit and loss account will continue to be unpredictable as discount rates and inflation remain volatile. The net pensions financing charge was £12.1m (2014: £9.1m) for the period.

The Northern Foods Pension Scheme and the Northern Foods Pension Builder Schemes were closed to future accrual from 1 November 2011, with the employees invited to join a defined contribution scheme. A similar proposal became effective for the Green Isle pension scheme from 31 October 2013 which ended the link to salaries.

Research and development

Throughout the period the Group invested across the business in food hygiene and product research in development of new and enhanced products. The costs incurred comprise all directly attributable costs necessary to create and produce new products which are both brand new in design and those being modified.

Future prospects

We expect the operating environment to remain difficult for the grocery industry in the face of continued food price deflation, and a highly competitive grocery market. Against this background, our investments across our Protein, Chilled and Branded divisions will continue to improve our performance. We have a clear sense of direction and a strategy that is already delivering results and we remain confident of the outlook for our business as we go into the new financial year.

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STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has robust internal control and risk management processes, which are designed to provide assurance but which cannot avoid all risks. Outlined below are potential risks that could impact the Group's performance, causing actual results to vary from those previously experienced. These risks are monitored on an ongoing basis through the Group's risk management processes. Additional risks and uncertainties not identified may also have an adverse effect on the Group.

	Risk area and description of risks	Measures to reduce risks
	Industry risks	
Economic uncertainty	Our business could be adversely affected by global business conditions and a worsening of the economy both generally and specifically in the UK, Ireland, the Netherlands and Poland. Factors such as consumer demand, taxation, interest rates, inflation, the availability and cost of credit, and the liquidity of the global financial markets could significantly affect the activity level of customers and impact the Group.	Whilst general economic conditions are outside the Group's control, the Group is responding to the current economic conditions by adjusting its product portfolio in those markets where this is considered to be appropriate. A number of value products have been introduced to adapt to current consumer trends towards economy products, whilst maintaining acceptable margins. The Group continues to closely manage costs and cash.
Customer relationships	The Group's top five customers are leading UK retailers. The strength of the major multiple retailers' bargaining position gives them significant leverage over their suppliers in dictating pricing, product specification and the level of supplier participation in promotional campaigns and offers. The loss of any of these key customers, or a significant worsening in commercial terms could adversely affect the Group's results.	The Group seeks to reduce the risks presented by its consolidated customer base by ensuring high levels of service, maintaining strong commercial relationships and by working closely with customers on product development programmes to provide each customer with unique products and consumers with greater choice and convenience. The Group also monitors customer credit risk to manage exposure in the current challenging environment.
Competition	The Group participates in highly competitive markets, which generally operate without long term contracts. We face competition across all of our chosen markets on both branded and own label products. Our ability to compete effectively requires us to be successful in the pricing, sales and marketing of our existing products, new product development and innovation, in addition to operating efficient and effective manufacturing sites and procurement processes.	The Group seeks to reduce the risk through high service, high quality, and a lowest cost production model targeted across a range of markets in which we have strong positions. The Group's scale allows us to procure more effectively and the Group continually works to reduce its cost base to ensure it remains competitive. The Group invests in research and development of new products and improved production processes to provide the Group with a competitive advantage in its chosen markets.
Managing procurement costs and inflation	The Group purchases a significant quantity of food commodities and raw materials each year and incurs many other input costs such as utilities. The Group's cost base can be affected by fluctuating raw material, services and energy prices. An inability to pass on increases in costs to customer could adversely affect the results of the Group.	The Group has a central procurement function which through its size and strong relationships with suppliers, enables optimal negotiated price, service and availability. Forward prices are agreed and locked in where appropriate and available. The Group seeks to pass on commodity and raw material cost increases, wherever possible, to its customers through price rises; however, competitive constraints to achieving this can affect the Group's results.
Consumer preferences	Exposure to changing consumer trends can impact profitability. There are a number of trends in consumer preferences which impact the industry as a whole. These trends include, amongst others, dietary concerns (salt, sugar and fat reduction), and increased convenience and value. Providing or developing modified or alternative products to meet changing consumer trends may increase our costs.	The Group seeks to manage changes in customer preference by investing in consumer insight to understand trends in the market and then adjusting existing product mix or developing new products to address these trends. Misunderstandings or being unable to adjust quickly enough could impact the Group's results.
Avian Influenza	As a manufacturer and supplier of poultry products to the retail, food service and food manufacturing sectors, the Group is at risk of an outbreak of Avian influenza. An outbreak could significantly affect the Group's supply of live birds, demand for our poultry products and our ability to conduct operations.	The Group has developed contingency plans should an outbreak of Avian Influenza occur in close proximity to any of its operating facilities or to the farms of our principal suppliers.

BOPARAN HOLDINGS LIMITED

STRATEGIC REPORT (continued)

	Risk area and description of risks	Measures to reduce risks
	Industry risks	
Regulation and litigation	As a Group manufacturing products intended for human consumption, the Group is required to meet extensive UK and EU standards set out in legislation. Failure to comply with existing or newly implemented regulatory requirements may affect our business operations and have an adverse effect on our results. Litigation claims and proceedings resulting from disputes could also have an adverse effect on the Group's results.	The Group maintains strong technical, legal and health and safety functions which set high standards for hygiene, environmental controls and regulatory compliance. The Group maintains strict policies and ongoing monitoring to ensure that all employees are aware of and comply with their regulatory responsibilities. The Group closely monitors emerging issues in the regulatory environment to address ever changing compliance requirements.
	Operational risks	
Operational disruption and business continuity	The Group is at risk of disruption from incidents such as fire, natural catastrophe, act of vandalism, critical plant failure, health and safety failure, problems of supply, information systems failure, workforce actions or other environmental incidents. These could result in a significant impact on operations, particularly due to the short lead times involved in servicing our customers. Such incidents may have a material impact on the Group's results.	Our businesses have robust security, incident management processes and business recovery plans in place to manage the impact of any such events. The Group undertakes regular reviews of all sites and has insurance to mitigate (but not remove completely) the financial impact.
Product Safety	As a reputable food manufacturer, product quality and safety issues are paramount to the Groups' success. Failure to maintain the quality of our products may result in damage to the reputation of our business, this in turn could adversely impact our market share and our financial results.	The Group has established strict standards and protocols in order to monitor the processes associated with food safety. Food hygiene practices are taken very seriously throughout our Group, and are monitored both through internal audit procedures and external bodies such as environmental health departments and FSA.
Suppliers	We are dependent on the provision of products from key suppliers. A loss of these suppliers or a failure of these suppliers to comply with food safety, environmental, animal welfare or other regulation could cause short term disruption to the operational ability of the Group.	The Group's procurement team reviews and monitors suppliers by category as part of its risk assessment process. Risk can be measured by a number of factors including, but not limited to, the availability of raw material, dependence on a sole supplier, supplier regulatory compliance and the financial strength of a supplier. The Group manages exposure to key suppliers through dual supplier sourcing and monitoring of regulatory compliance and financial stability wherever possible.
Brand management	A significant part of the Group's sales are dependent on the successful management of our key brands. The Group's marketing teams must continue to support our brands through programmes of investment in new product development, product repackaging, brand confidence and marketing efforts, to continue to generate revenues and maintain or increase market share. If we are not successful in management of our brands, the results of our operations and our profitability could be adversely affected.	The Group invests significantly in brand marketing, rejuvenation and innovation through our skilled marketing and product development teams. Brand value and sales growth are achieved through marketing and through product innovation and quality, whilst stretching our brands into new categories and by increasing purchase frequency, by making our products more attractive and relevant to more eating occasions.
Change management, recruitment and retention	The ongoing success of the Group is dependent on attracting and retaining high quality employees who have the ability to effectively manage the Group's operations. Failure to recruit and retain high quality employees can impact financial results.	The Group mitigates the risk associated with the loss of key personnel through robust succession planning, strong recruitment processes and effective management incentives. We continue to invest in talent and capability by recruiting the best in the industry and by providing training for all employees.

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STRATEGIC REPORT (continued)

	Risk area and description of risks	Measures to reduce risks
	Financial risks	
Pensions	The Group has defined benefit pension plans that are currently in deficit (on an actuarial basis). Valuations of all defined benefit plans are dependent upon market conditions and the actuarial methods and assumptions used. We may be required to increase pension contributions which may have an adverse effect on our financial condition. Pension regulation could restrict the freedom of the Group to undertake certain corporate activities (including disposals and return of capital to shareholders).	The Board regularly reviews the value of assets and liabilities under the Group's pension schemes as well as the potential impact of changes in actuarial assumptions and actions that can be taken to mitigate the risks associated with the defined benefit pension schemes. The principal schemes are closed to future benefit accrual. The Group maintains a good working relationship with the Pension scheme trustees with whom it agrees a long term funding plan.
Liquidity risk	The Group has committed financing in place, which can only be withdrawn in the event of a breach of financing agreement, such as a breach of financial covenants, when the Group might be restricted in its ability to operate normally and could be required to dispose of assets to pay down debt and incur additional costs.	Liquidity risk is monitored by the Board who review the adequacy of available funding and compliance with borrowing covenants on a monthly basis. No breaches to the Group's borrowing covenants have occurred or are forecast to occur. Board policy is to maintain reasonable headroom of unused committed bank facilities with maturity at least 12 months beyond the period end.

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STRATEGIC REPORT (continued)

FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year.

Interest rate risk - The Senior Loan Notes which comprise the Group's core funding are fixed interest.

Liquidity risk - The Group uses a mixture of long-term borrowings and short-term cash placement in order to maintain liquidity and ensure sufficient funds are available for ongoing operations and future developments.

Foreign currency risk - The Group currently hedges foreign exchange transactions in respect of its European subsidiaries and overseas customers.

The long term bond debt denominated in euros is actively monitored by the Board. Arrangements have been put in place to mitigate the currency exposure on the euro element of the bond by way of cross currency swaps. In addition, a portion of the euro element of the bond is organically hedged by way of internal loans to euro denominated subsidiaries. The Group seeks to minimise its exposure to these risks by using derivative financial instruments where applicable. The use of derivative financial instruments is governed by Group policies which have been approved by the Board. The Group only enters into trades of financial instruments for specific purposes. Speculative purchases are not made.

GOING CONCERN

In determining whether the Group's annual consolidated financial statements can be prepared on a going concern basis, the directors considered the Group's business activities, together with the factors likely to affect its future development, performance and position; including those set out above under Principal Risks and Uncertainties. The review included the financial position of the Group, its cash flows, liquidity position, borrowing facilities and covenants. The key factors considered by the directors were as follows:

- > consideration of detailed forecasts prepared for the 12 month period from the date of approval of the financial statements and the application of sensitivities to those forecasts;
- > the implications of the challenging economic environment and future uncertainties on the Group's revenues and profits and its ability to meet financial covenants;
- > the impact of the competitive environment within which the Group's businesses operate;
- > the potential actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected; and
- > the Group has access to undrawn overdraft facilities and a committed bank facility to meet working capital requirements.

As at the date of this report, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in business for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. Accordingly, the Annual report and financial statements for the 52 weeks ended 1 August 2015 have been prepared on the going concern basis.

By order of the board

S P Leadbeater
Director
26 October 2015

BOPARAN HOLDINGS LIMITED

DIRECTORS' REPORT

DIRECTORS

The directors of the Company who served during the period ended 1 August 2015 and up to the date of signing the financial statements are those listed on page 1.

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.

DIVIDENDS

The directors do not propose the payment of a dividend for the period ended 1 August 2015 (2014: £nil).

SUPPLIER PAYMENT POLICY

The Group's policy is to agree clearly and set down terms of payment with suppliers when agreeing the terms for each transaction and to make payments in accordance with its obligations, save in cases of genuine dispute.

As at 1 August 2015, the Group's number of creditor days outstanding was equivalent to 50 days purchases (2014: 49 days), based on the average daily amount invoiced by suppliers during the period.

DONATIONS

The Group made £253,000 of charitable donations during the period (2014: £195,000) principally to charities which the directors deem it appropriate to support and which serve the communities in which the Group operates.

EMPLOYEES

Details of the number of employees and related costs can be found in note 5.

The Group takes its responsibilities to its employees seriously and places great emphasis on optimising the contribution made by employees at all levels. The Group recognises the value of its employees and seeks to create an energetic, dynamic and responsive environment in which to work. It places considerable importance on communications with employees, which occur throughout the organisation on both a formal and informal basis. The Group's policy is to provide opportunities for active participation and personal development, with the goals of motivating individuals and helping them to enhance their skills and maximise their potential.

The Group is committed to:

- providing equality of opportunity for all existing and potential employees. It aims to treat all of its employees fairly in every aspect of employment;
- ensuring that employees have access to information and training that enables them to contribute and participate fully in the Group's achievement of its objectives; and
- providing employees with clear and fair terms of employment and competitive remuneration packages.

The Company uses a variety of methods to enable all its employees to understand the performance of the Group and of their own operating business unit. These include briefing groups, meetings with employee representatives, e-mail bulletins and in-house magazines. Employees are consulted on a wide range of issues affecting their current and future interests, and particularly on changes affecting the businesses in which they work.

BOPARAN HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

EMPLOYEES (continued)

Applications for employment by disabled persons are fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure their employment with the Group continues and appropriate training is arranged. It is the policy of the Group that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Our Corporate Social Responsibility (CSR) team has initiated staff surveys, diversity management training as well as multi-lingual telephone hotlines for all workers.

The Group is committed to growing in a sustainable manner and during the period we published our sustainability plan, 'Feeding Our Future'. The world in which we operate is affected by a perfect storm of population growth, resource depletion, environmental damage, financial pressure on communities, and unprecedented demands on land use. Feeding Our Future is our response to these sustainability challenges, and it puts sustainability at the heart of our business.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

AUDITOR

Deloitte LLP acted as auditor for the 52 weeks ended 1 August 2015 and have expressed their willingness to continue in office as auditor of the Company. A resolution proposing their reappointment will be submitted at the Company's annual general meeting.

By order of the board

S P Leadbeater
Director
26 October 2015

BOPARAN HOLDINGS 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). 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOPARAN HOLDINGS LIMITED

We have audited the financial statements of Boparan Holdings Limited for the 52 week period ended 1 August 2015 which comprise the Consolidated Profit and Loss account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 32. 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 1 August 2015 and of the Group's loss for the 52 week period 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 Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOPARAN HOLDINGS 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.

Richard Knights, (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK
26 October 2015

BOPARAN HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT Period ended 1 August 2015

		52 weeks ended 1 August 2015	52 weeks ended 1 August 2015	53 weeks ended 2 August 2014	53 weeks ended 2 August 2014
		£m	£m	£m	£m
	Note				
TURNOVER	2		3,140.2		3,419.2
Cost of sales			(2,666.1)		(2,904.2)
GROSS PROFIT			474.1		515.0
Distribution costs			(204.8)		(215.2)
Administrative expenses					
- before exceptional items			(210.5)		(211.7)
- exceptional items	3		(11.5)		(44.1)
			(222.0)		(255.8)
Other income			-		0.8
Operating profit – before exceptional items			58.8		88.9
- exceptional items	3		(11.5)		(44.1)
OPERATING PROFIT			47.3		44.8
Exceptional items	3				
- Loss on the sale or termination of an operation			-		(57.0)
Share of operating profit from joint ventures			-		0.6
Interest receivable and similar income	7		0.4		1.7
Interest payable and similar charges					
- before foreign exchange on financial instruments			(62.8)		(154.8)
- foreign exchange on financial instruments			1.5		1.4
Total interest payable and similar charges	8		(61.3)		(153.4)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4		(13.6)		(163.3)
Tax on loss on ordinary activities	9		9.0		20.0
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION			(4.6)		(143.3)
Equity minority interest	23		(0.3)		(0.2)
LOSS FOR THE FINANCIAL PERIOD			(4.9)		(143.5)

All amounts in the current and prior periods relate to continuing activities.

BOPARAN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Period ended 1 August 2015

	Note	52 weeks ended 1 August 2015 £m	53 weeks ended 2 August 2014 £m
LOSS FOR THE FINANCIAL PERIOD		(4.9)	(143.5)
Actuarial loss relating to the pension schemes	21, 28	(102.4)	(67.2)
Deferred tax attributable to actuarial loss	21	20.4	13.2
Currency translation differences on foreign currency net investments	21	(7.9)	(6.3)
		<hr/>	<hr/>
TOTAL RECOGNISED LOSSES RELATING TO THE PERIOD		(94.8)	(203.8)
		<hr/> <hr/>	<hr/> <hr/>

BOPARAN HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

1 August 2015

	Note	1 August 2015 £m	2 August 2014 £m
FIXED ASSETS			
Goodwill	10	455.2	486.6
Tangible fixed assets	11	401.9	384.8
Investment in associate	12	2.2	1.6
Investment in joint venture	12	1.6	2.5
		<u>860.9</u>	<u>875.5</u>
CURRENT ASSETS			
Stocks	13	144.4	146.2
Debtors due within one year	14	255.2	274.2
Deferred tax asset	15	33.1	20.8
Cash at bank and in hand		118.7	168.3
		<u>551.4</u>	<u>609.5</u>
CREDITORS: amounts falling due within one year	16	<u>(549.8)</u>	<u>(602.1)</u>
NET CURRENT ASSETS		<u>1.6</u>	<u>7.4</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>862.5</u>	<u>882.9</u>
CREDITORS: amounts falling due after more than one year	17	<u>(830.9)</u>	<u>(829.7)</u>
PROVISIONS FOR LIABILITIES	19	<u>(12.5)</u>	<u>(13.9)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>19.1</u>	<u>39.3</u>
Net pension scheme deficit	28	<u>(267.2)</u>	<u>(192.7)</u>
NET LIABILITIES		<u>(248.1)</u>	<u>(153.4)</u>
CAPITAL AND RESERVES			
Called up share capital	20	-	-
Share premium account	20,21	132.6	132.6
Profit and loss account	21	<u>(381.7)</u>	<u>(286.9)</u>
SHAREHOLDERS' DEFICIT	22	<u>(249.1)</u>	<u>(154.3)</u>
Minority Interests	23	<u>1.0</u>	<u>0.9</u>
TOTAL CAPITAL EMPLOYED		<u>(248.1)</u>	<u>(153.4)</u>

These financial statements were approved by the Board of Directors and authorised for issue on 26 October 2015.

Signed on behalf of the Board of Directors

S P Leadbeater
Director
Company Number 03558065

BOPARAN HOLDINGS LIMITED

COMPANY BALANCE SHEET 1 August 2015

	Note	1 August 2015 £m	2 August 2014 £m
FIXED ASSETS			
Investments	12	145.6	145.6
CURRENT ASSETS			
Debtors due within one year	14	1,473.9	1,174.4
Cash at bank and in hand		13.7	61.6
		<u>1,487.6</u>	<u>1,236.0</u>
CREDITORS: amounts falling due within one year	16	<u>(811.2)</u>	<u>(523.7)</u>
NET CURRENT ASSETS		<u>676.4</u>	<u>712.3</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>822.0</u>	<u>857.9</u>
CREDITORS: amounts falling due after more than one year	17	<u>(794.8)</u>	<u>(822.8)</u>
NET ASSETS		<u>27.2</u>	<u>35.1</u>
CAPITAL AND RESERVES			
Called up share capital	20	-	-
Share premium	20,21	132.6	132.6
Profit and loss account	21	(105.4)	(97.5)
SHAREHOLDERS' FUNDS		<u>27.2</u>	<u>35.1</u>

These financial statements were approved by the Board of Directors and authorised for issue on 26 October 2015.

Signed on behalf of the Board of Directors

S P Leadbeater
Director
Company Number 03558065

BOPARAN HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT Period ended 1 August 2015

	Note	52 weeks ended 1 August 2015 £m	53 weeks ended 2 August 2014 £m
Net cash inflow from operating activities	25	78.7	79.2
Returns on investments and servicing of finance			
Interest received		0.4	1.7
Interest paid		(32.7)	(119.4)
Interest element of finance lease payments		(0.9)	(0.7)
		(33.2)	(118.4)
Taxation			
Corporation tax paid		(10.3)	(2.6)
Capital expenditure and financial investment			
Payments for tangible fixed assets		(87.9)	(76.9)
Receipts for tangible fixed assets		1.7	0.2
Capital grants received		0.2	2.6
		(86.0)	(74.1)
Net cash outflow before financing		(50.8)	(115.9)
Financing			
Capital element of finance leases acquired net of finance lease payments		(4.9)	(3.8)
Receipts from finance leases		11.3	9.3
Repayment of bond financing		-	(671.5)
Receipts from bond financing		-	819.3
		6.4	153.3
(Decrease) / increase in cash in the period	26,27	(44.4)	37.4

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 1 August 2015

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom laws and accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the period and the preceding period.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings at 1 August 2015 using acquisition accounting.

The results of subsidiary undertakings acquired or disposed of during a financial period are included from, or up to, the effective date of an acquisition or disposal.

Going concern

In determining whether the Group's annual consolidated financial statements can be prepared on a going concern basis, the directors considered the Group's business activities, together with the factors likely to affect its future development, performance and position. The review included the financial position of the Group, its cash flows, liquidity position, borrowing facilities and covenants. The key factors considered by the directors were as follows:

- > consideration of detailed forecasts prepared for the 12 month period from the date of approval of the financial statements and the application of sensitivities to those forecasts;
- > the implications of the challenging economic environment and future uncertainties on the Group's revenues and profits and its ability to meet financial covenants;
- > the impact of the competitive environment within which the Group's businesses operate;
- > the potential actions that could be taken in the event that revenues or margins are worse than expected, to ensure that operating profit and cash flows are protected; and
- > the Group has access to undrawn overdraft facilities and a committed bank facility to meet day to day working capital requirements.

As at the date of this report, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in business for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. Accordingly, the Annual report and financial statements for the 52 weeks ended 1 August 2015 have been prepared on the going concern basis.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Period ended 1 August 2015**

1. ACCOUNTING POLICIES (continued)

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, Value Added Tax (VAT) and other sales related taxes. Turnover is recognised on delivery of goods and services.

Interest receivable and similar income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

No depreciation is provided on freehold land. On other assets it is provided evenly on the cost of the tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

Freehold buildings	2% - 5%
Leasehold improvements	20%
Leasehold land and buildings	2% - 5%
Plant and machinery	6.66% - 20%
Fixtures, fittings and equipment	10% - 25%
Motor vehicles	10% - 25%

Leased assets

Leases are classified as finance leases whenever the terms of the lease involve the substantial transfer of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and other similar contracts are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of the future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account to produce a constant rate on the capital balance outstanding.

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

Related party transactions

The Company has taken advantage of the exemption granted under FRS 8 which does not require disclosure of transactions between wholly owned subsidiary undertakings.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Period ended 1 August 2015**

1. ACCOUNTING POLICIES (continued)

Intangible fixed assets

Goodwill arising on acquisition, representing the difference between the cost and the fair value of the net assets acquired in a business combination is capitalised in the period of acquisition and written off over its useful life which is taken as twenty years. Negative goodwill is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Provision is made for impairment where appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 recognised in respect of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Investments

Investments are stated at cost less any provision to reduce the carrying values to their recoverable amounts.

Stocks

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow moving or defective stock where appropriate.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Period ended 1 August 2015**

1. ACCOUNTING POLICIES (continued)

Interest payable and similar charges

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at the effective interest rate applicable on the carrying amount.

The net impact of the unwinding of the discount rate on pension scheme liabilities and the expected return on pension scheme assets is charged / credited to interest payable or interest receivable in the profit and loss account as appropriate.

Capitalisation of debt issue costs

Debt issue costs are netted against the loan finance to which it relates. These costs, together with the interest expense, are allocated to the profit and loss account over the term of the finance facility on a straight line basis.

Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

(b) Transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date, or if appropriate, at the forward contract rate.

(c) Group companies

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences on translation of the opening net assets and results of overseas operations and on foreign currency borrowings, to the extent that they hedge the Group's investment in such operations, are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

Pension schemes

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Period ended 1 August 2015**

1. ACCOUNTING POLICIES (continued)

Defined benefit pension schemes

The Group operates a number of defined benefit pension schemes, the majority of which are now closed to future benefit accrual. A defined benefit scheme is one where the amount of pension benefit an employee will receive on retirement is dependent on age, years of service and compensation. Under FRS 17, pension scheme assets are measured using fair values. Pension scheme liabilities are valued using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

A pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full, net of deferred tax, and presented on the face of the balance sheet. The movement in the scheme surplus/deficit is split between operating and financial items in the profit and loss account and the statement of total recognised gains and losses.

The net impact of the unwinding of the discount rate on scheme liabilities and the expected return on the scheme assets is charged / credited to interest payable or interest receivable in the profit and loss account.

Any difference between the expected return on assets and that actually achieved is charged through the statement of total recognised gains and losses. Similarly, any differences that arise from experience or assumption changes are charged through the statement of total recognised gains and losses.

Post-retirement healthcare

The Group provides post-retirement healthcare benefits to eligible employees who retired before 31 March 1999. The expected cost of this benefit has been computed using an accounting methodology similar to that for defined benefit pension schemes. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised in full in the period in which they occur. They are recognised outside the profit and loss account and presented in the statement of total recognised gains and losses. These obligations are valued annually for the purpose of the financial statements by independent qualified actuaries.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at their present value and at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

Government grants

Government grants in respect of capital expenditure are credited to deferred income and are released to the income statement over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to the income statement so as to match them with the expenditure to which they relate.

Research and development

Research and development costs are expensed in the period which they relate. Costs comprise all directly attributable costs necessary to create and produce new products which are both brand new in design and those being modified. Costs classified as research and development include raw materials, labour costs, artwork origination and market research directly attributable to developing the product.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Period ended 1 August 2015**

1. ACCOUNTING POLICIES (continued)

Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes. The Group does not adopt hedge accounting.

Joint ventures

In the Group financial statements, investments in joint ventures are accounted for using the gross equity method. The consolidated profit and loss account includes the Group's share of the joint venture's profits less losses while the Group's share of the net assets of the joint venture is shown in the consolidated balance sheet.

Supplier rebates

Rebates from suppliers are recognised in the period in which the associated purchases are made. Amounts received in advance are recognised in equal instalments across the term of the agreement.

Financial liabilities and equity

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 Group after deducting all of its liabilities.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Dividends

Dividend distributions to the Company's shareholders are recognised in the Group and Company financial statements as follows:

- > Final dividend: when approved by the Company's shareholders at the Annual General Meeting;
- > Interim dividend: when paid by the Company.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

2. TURNOVER AND SEGMENTAL INFORMATION

	Turnover £m	Operating profit pre-exceptional items £m	Exceptional items £m	Operating profit £m
52 weeks ended 1 August 2015				
Protein	2,167.5	27.3	(6.3)	21.0
Chilled	596.5	8.8	(3.3)	5.5
Branded	376.2	22.7	(1.9)	20.8
	<u>3,140.2</u>	<u>58.8</u>	<u>(11.5)</u>	<u>47.3</u>
Unallocated amounts:				
Share of operating profit from joint venture				-
Net finance expense before exchange gain				(62.4)
Net finance expense - foreign exchange gain on financial instruments				1.5
				<u>(13.6)</u>
Loss before taxation				(13.6)
Taxation on loss from ordinary activities				9.0
				<u>(4.6)</u>

	Turnover £m	Operating profit pre-exceptional items £m	Exceptional items £m	Operating profit £m
53 weeks ended 2 August 2014				
Protein	2,326.0	68.5	(30.4)	38.1
Chilled	701.2	(5.4)	(3.5)	(8.9)
Branded	392.0	25.8	(10.2)	15.6
	<u>3,419.2</u>	<u>88.9</u>	<u>(44.1)</u>	<u>44.8</u>
Unallocated amounts:				
Share of operating profit from joint venture				0.6
Exceptional items*				(57.0)
Net finance expense before exchange loss				(153.1)
Net finance expense - foreign exchange loss on financial instruments				1.4
				<u>(163.3)</u>
Loss before taxation				(163.3)
Taxation on loss from ordinary activities				20.0
				<u>(143.3)</u>

* Exceptional items of £57.0m charged below operating profit in 2014 related to Chilled.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

2. TURNOVER AND SEGMENTAL INFORMATION (continued)

The following is a reconciliation of EBITDA from operating profit:

	52 weeks ended 1 August 2015 £m	53 weeks ended 2 August 2014 £m
Operating profit	47.3	44.8
Exceptional items	11.5	44.1
Share of operating profit from joint ventures	-	0.6
Depreciation	55.1	60.9
Amortisation of intangible assets	30.4	29.9
EBITDA	144.3	180.3

Exceptional items are detailed in note 3 to the financial statements.

Intersegmental sales were charged at prevailing market prices. Intersegmental sales were: Protein £72.6m (2014: £73.6m), Chilled: £nil (2014: £0.7m) and Branded £1.3m (2014: £0.3m).

Other information - 52 weeks ended 1 August 2015	Protein £m	Chilled £m	Branded £m	Group £m
Depreciation	28.6	14.5	12.0	55.1
Impairment of tangible fixed assets	-	-	-	-
Amortisation of intangible assets	7.6	13.3	9.5	30.4

Other information - 53 weeks ended 2 August 2014	Protein £m	Chilled £m	Branded £m	Group £m
Depreciation	31.0	15.3	14.6	60.9
Impairment of tangible fixed assets	11.0	20.3	7.2	38.5
Amortisation of intangible assets	6.6	13.6	9.7	29.9

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

2. TURNOVER AND SEGMENTAL INFORMATION (continued)

	1 August 2015					2 August 2014
	Assets £'m	Liabilities £'m	Total £'m	Assets £'m	Liabilities £'m	Total £'m
Protein	493.3	(249.4)	243.9	504.5	(277.0)	227.5
Chilled	405.1	(119.9)	285.2	409.0	(140.8)	268.2
Branded	318.4	(117.8)	200.6	337.5	(113.6)	223.9
Operating assets/(liabilities)	1,216.8	(487.1)	729.7	1,251.0	(531.4)	719.6
Unallocated corporate assets:						
Cash at bank and in hand	118.7	-	118.7	168.3	-	168.3
Corporate other receivables	43.7	-	43.7	44.9	-	44.9
Deferred tax assets	33.1	-	33.1	20.8	-	20.8
Unallocated corporate liabilities:						
Total borrowings	-	(826.9)	(826.9)	-	(821.6)	(821.6)
Retirement benefit obligations	-	(267.2)	(267.2)	-	(192.7)	(192.7)
Current taxation liabilities	-	(2.4)	(2.4)	-	(10.7)	(10.7)
Corporate other payables	-	(76.8)	(76.8)	-	(82.0)	(82.0)
Total assets / (liabilities)	1,412.3	(1,660.4)	(248.1)	1,485.0	(1,638.4)	(153.4)

Geographical analysis	Turnover by destination		Turnover by origin		(Loss)/profit before tax		Net (liabilities)/assets	
	52 weeks 2015 £m	53 weeks 2014 £m	52 weeks 2015 £m	53 weeks 2014 £m	52 weeks 2015 £m	53 weeks 2014 £m	1 August 2015 £m	2 August 2014 £m
United Kingdom	2,683.4	2,929.8	2,570.3	2,809.8	(33.2)	(176.0)	(310.5)	(215.7)
Other European	441.8	477.6	569.9	609.4	19.6	12.3	63.3	70.4
Other	15.0	11.8	-	-	-	0.4	(0.9)	(8.1)
Total	3,140.2	3,419.2	3,140.2	3,419.2	(13.6)	(163.3)	(248.1)	(153.4)

All unallocated costs and assets noted in the segmental reconciliations have been allocated to United Kingdom in the above table, consistent with where the Group's head office is based.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

3. EXCEPTIONAL ITEMS

	52 weeks ended 1 August 2015 £'m	53 weeks ended 2 August 2014 £'m
Exceptional items reported in operating profit		
Restructuring costs	11.5	37.7
Refinancing	-	2.3
Costs of acquisition and integration	-	4.1
	<hr/>	<hr/>
	11.5	44.1
Exceptional items reported after operating profit		
Loss on the sale or termination of an operation	-	57.0
	<hr/>	<hr/>
	-	57.0
	<hr/> <hr/>	<hr/> <hr/>
Total exceptional items	11.5	101.1

Current period

During the period the Group restructured and re-modelled its operational footprint across a number of its sites in response to the loss of site specific key contracts and to improve production efficiency. The Group incurred £11.5m of redundancy and associated costs as a result of these restructuring and reorganisation activities.

Restructuring costs of £11.5m include £4.3m relating to the closure of the Eye poultry processing site, £2.8m relating to redundancy and associated costs incurred at the Gunstones bakery site following the loss of a major contract, and £1.9m relating to the reorganisation of operations at the Group's three biscuit-manufacturing sites. The balance of £2.5m represents the summation of costs incurred in relation to a number of smaller restructuring projects carried out during the period.

Prior period

Restructuring costs of £37.7m include fixed asset impairments of £11.0m, redundancy costs of £1.9m and other associated costs of £9.6m, including product transfers and onerous lease cost, following the closure of the Letham and Haughley Park sites. Also included are redundancies and other restructuring costs of £8.0m and a £7.2m impairment charge in relation to fixed assets at the Group's Portumna site in Ireland.

The Group incurred £2.3m of professional fees in relation to its recent refinancing programme which largely relate to advice and legal fees.

The costs of acquisition and integration of £4.1m relate to costs incurred in the acquisition / integration of the Vion business in addition to ongoing integration of Northern Foods, Amber, Five Star Fish and Brookes Avana.

The Group closed the operations of the Solway Corby and Avana Bakeries trading sites during the period. The total termination cost was £57.0m of which £27.5m related to closure and disposal costs, £7.4m relating to write off of obsolete assets, and £20.3m relating to the impairment of fixed assets.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

3. EXCEPTIONAL ITEMS (continued)

The tax effects of the exceptional items on the amounts charged to the profit and loss account for taxation and minority interests were:

	Tax on loss on ordinary activities	
	52 weeks ended 2 August 2014 £m	53 weeks ended 2 August 2014 £m
Tax credit on exceptional items	2.1	14.2
Decrease in tax charge to profit and loss account	2.1	14.2

The credit of £2.1m (2014: £14.2m) relates to a corporation tax credit of £2.1m (2014: £nil) and a £nil deferred tax credit. (2014: £14.2m).

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is arrived at after charging / (crediting):

	52 weeks ended 1 August 2015 £m	53 weeks ended 2 August 2014 £m
Auditors' remuneration for audit services	0.5	0.5
Operating lease rentals:		
- hire of plant and machinery	8.6	7.0
- other	8.8	9.4
Depreciation of tangible fixed assets:		
- owned	51.5	57.6
- leased	3.6	3.3
Impairment of tangible fixed assets		
- owned	-	38.5
Amortisation of goodwill	30.4	29.9
Impairment of goodwill	-	-
Research and development costs	5.0	4.5
Profit on disposal of tangible fixed assets	(0.3)	(0.4)
Government grants	(1.6)	(1.8)

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

The analysis of auditor's remuneration is as follows:

	52 weeks ended 1 August 2015 £000	53 weeks ended 2 August 2014 £000
Fees payable to the Company's auditors for the audit of the Company's annual accounts	30	33
Audit of the Company's subsidiaries pursuant to legislation	499	502
Total audit fees	529	535
Tax compliance services	2	97
Tax advisory services	236	159
Total tax services	238	256
Audit related assurance services	-	34
Corporate finance services	-	516
Other non-audit services	11	70
Total non-audit fees	249	876

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

5. STAFF COSTS GROUP

	52 weeks ended 1 August 2015	53 weeks ended 2 August 2014
Average monthly number of employees, including directors:		
Production	19,411	21,027
Administration and selling	3,563	3,451
	22,974	24,478
Staff costs, including directors:	£m	£m
Wages and salaries	459.4	498.0
Social security costs	40.9	42.9
Pension costs	12.5	11.9
	512.8	552.8

In addition to the above, redundancy costs of £7.3m (2014: £7.5m) are included in exceptional items.

COMPANY

The Company does not have any employees (2014: none). The directors are remunerated through other Group companies. During the period £0.7m (2014: £0.7m) was recharged to the Company in relation to directors.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

6. DIRECTORS' REMUNERATION

	52 weeks ended 1 August 2015 £m	53 weeks ended 2 August 2014 £m
Emoluments of Company's directors:		
Salaries, bonuses and benefits	3.1	2.0
Compensation for loss of office	-	-
Pension costs	-	-
	<u>3.1</u>	<u>2.0</u>
Emoluments of highest paid director:		
Salaries, bonuses and benefits	1.7	0.6
Compensation for loss of office	-	-
Contributions to pension scheme	-	-
	<u>1.7</u>	<u>0.6</u>

Pension contributions in the period were £nil. In the prior period certain directors participated in individual personal pension arrangements to which the Company made contributions. Contributions paid in the prior period amounted to £22,000. The pension contribution in respect of the highest paid director in the prior period was £nil.

Bonuses, which are not guaranteed, are accruing to the directors based on pre-determined performance targets.

The Remuneration Committee considered it appropriate to issue awards under an incentive plan (the Growth Securities Ownership Plan (GSOP)) related to growth in EBITDA, defined as operating profit from continued operations before exceptional items, depreciation, amortisation, tax and finance costs. The current GSOP ended on 1 August 2015.

In 2013 C L Allen entered into the GSOP and the premiums for the GSOP securities and their market value on issue were as follows:

for the period ended 2 August 2014 - £25,000
for the period ended 1 August 2015 - £325,000

The performance hurdles relating to the incentive granted to C L Allen under the GSOP have not been met, as a result the GSOP securities granted to him have been cancelled.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 1 August 2015 £m	53 weeks ended 2 August 2014 £m
Bank interest	0.4	1.7
	0.4	1.7

8. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 1 August 2015 £m	53 weeks ended 2 August 2014 £m
Before foreign exchange on financial instruments		
Interest on loans and overdrafts	48.1	79.0
Interest on finance leases	0.9	0.7
Net charge on pension schemes	12.1	9.1
Other interest charge	1.7	66.0
	62.8	154.8
Foreign exchange on financial instruments		
Exchange gain	(1.5)	(1.4)
	61.3	153.4

Other interest charge in the current period totalling £1.7m represents the amortisation of capitalised financed fees during the period. Other interest charge in the prior period totalling £66.0m include a one-off redemption premium of £49.8m, £12.6m release of capitalised fees and £3.2m fair value charge on an interest and exchange rate swap relating to the Group's refinancing activities.

Foreign exchange on financial instruments arose on the retranslation on the element of the Group's euro bond funding that was unhedged during the period.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

9. TAX ON LOSS ON ORDINARY ACTIVITIES

	52 weeks ended 1 August 2015 £m	53 weeks ended 2 August 2014 £m
United Kingdom corporation tax		
Current tax on income for the period	-	-
Adjustment in respect of prior periods	1.4	0.5
Total	1.4	0.5
Overseas taxation		
Current tax on income for the period	(4.0)	(4.7)
Adjustment in respect of prior periods	0.7	-
Total	(3.3)	(4.7)
Deferred taxation		
Net origination of timing differences	1.7	15.2
Net origination of current year losses carried forward	-	10.6
Adjustment in respect of prior periods	10.6	(0.3)
Change in corporation tax rate	-	(1.1)
Deferred tax on pension scheme	(1.4)	(0.2)
Total	10.9	24.2
Current taxation	(1.9)	(4.2)
Deferred taxation	10.9	24.2
Tax credit on loss on ordinary activities	9.0	20.0
Analysed as:		
Tax credit on loss on ordinary activities	9.0	20.0

The Finance Act which provides for a reduction in the main rate of corporation tax to 20% effective from 1 April 2015 was substantively enacted on 2 July 2013. This change in legislation has been reflected in the deferred tax balances at 1 August 2015. A deferred tax charge of £20.4m (2014: charge of £13.2m) was taken to equity relating to the actuarial gains and losses on the retirement benefit assets and obligations. The prior period balances reflected the reduction in the main rate of corporation tax from 23% to 20% as this rate was substantively enacted on 2 July 2013.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

9. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation taxation to the loss before tax is as follows:

	52 weeks ended 1 August 2015 £m	53 weeks ended 2 August 2014 £m
Current tax reconciliation		
Loss on ordinary activities before taxation	(13.6)	(163.3)
	<hr/>	<hr/>
Standard UK corporation tax rate of 20.67% (2014: 22.33%)	2.8	36.5
Effects of:		
- Disallowable expenses	(7.7)	(14.4)
- Depreciation in excess of capital allowances	(2.4)	(16.6)
- Losses carried forward	-	(10.6)
- Differences between UK and overseas tax rate	1.4	0.9
- Other timing differences	1.9	(0.5)
- Adjustment in respect of prior periods	2.1	0.5
	<hr/>	<hr/>
Current taxation charge	(1.9)	(4.2)
	<hr/> <hr/>	<hr/> <hr/>

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

10. INTANGIBLE FIXED ASSETS - GOODWILL

Group	£m
Cost	
At 2 August 2014	593.7
Foreign currency translation	(1.9)
At 1 August 2015	591.8
Amortisation	
At 2 August 2014	107.1
Charge for the period	30.4
Foreign currency translation	(0.9)
At 1 August 2015	136.6
Net book value	
At 1 August 2015	455.2
At 2 August 2014	486.6

11. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings and leasehold improvements £m	Leasehold land and buildings £m	Plant, fixtures and motor vehicles £m	Total £m
Cost				
At 2 August 2014	128.1	19.3	351.8	499.2
Additions	1.9	-	79.6	81.5
Disposal	(0.1)	-	(5.4)	(5.5)
Translation difference	(6.3)	-	(22.6)	(28.9)
At 1 August 2015	123.6	19.3	403.4	546.3
Depreciation				
At 2 August 2014	5.9	1.9	106.6	114.4
Charge for the period	6.4	0.7	48.0	55.1
Disposal	-	-	(4.0)	(4.0)
Translation difference	(1.4)	-	(19.7)	(21.1)
At 1 August 2015	10.9	2.6	130.9	144.4
Net book value				
At 1 August 2015	112.7	16.7	272.5	401.9
At 2 August 2014	122.2	17.4	245.2	384.8

The net book value of the tangible fixed assets includes £22.0m (2014: £14.3m) in respect of assets held under finance leases. Depreciation charged in the period on those assets amounted to £3.6m (2014: £3.3m).

There were £nil fixed assets held by the Company (2014: £nil).

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

12. INVESTMENTS

The parent company and the Group have investments in the following subsidiary undertakings, associates and other investments which principally affected the profits or net assets of the Group. Companies marked * are directly owned by Boparan Holdings Limited.

Company	Principal activity	Country of incorporation
2 Sisters Food Group Limited*	Chicken processing	England
2 Sisters Poultry Limited*	Chicken processing	Scotland
2 Sisters Red Meat Limited*	Red meat processing	Scotland
Amber Foods Limited*	Chicken processing	Jersey
BH Acquisitions Limited*	Holding company	England
Boparan Finance plc*	Group financing	England
Five Star Fish Limited*	Food processing	England
Cavaghan & Gray Limited	Food processing	England
Convenience Foods Limited	Food processing	England
F W Farnsworth Limited	Food processing	England
Green Isle Foods Limited	Food processing	Republic of Ireland
Northern Foods Grocery Group Limited	Food processing	England
Solway Foods Limited	Food processing	England
2 Sisters Europe B.V.*	Holding company	Netherlands
2 Sisters Hamrol Sp. Z.o.o.	Chicken processing	Poland
2 Sisters Storteboom B.V.	Chicken processing	Netherlands
Storteboom Agri B.V.	Chicken processing	Netherlands
Storteboom Brink B.V.	Chicken processing	Netherlands
Storteboom Fresh B.V.	Chicken processing	Netherlands
Storteboom Kornhorn B.V.	Chicken processing	Netherlands
Storteboom Nijkerk B.V.	Chicken processing	Netherlands
Storteboom Sprundel B.V.	Chicken processing	Netherlands
Storteboom Cujik B.V.	Chicken processing	Netherlands
Cavaghan & Gray Group Limited	Holding company	England
Green Isle Food Group Limited	Holding company	Republic of Ireland
Northern Foods Limited	Holding company	England
Solway Foods Holdings Limited	Holding company	England
R & K Wise Limited	Pension holder	England
2 Sisters Food Services Limited*	Non-trader	England
Beverley House (9000) Limited	Non-trader	England
Beverley House Investments Limited	Non-trader	England
Boparan Foods Limited*	Non-trader	England
Challenger Foods Limited	Non-trader	England
Dreamphoto Limited	Non-trader	England
Dreamplayer Limited	Non-trader	England
Dressadmire Limited	Non-trader	England

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

12. INVESTMENTS (continued)

Company	Principal activity	Country of incorporation
Ethnic Cuisine Limited	Non-trader	England
Farnsworth Investments Limited	Non-trader	England
Green Isle Foods (Boyle) Limited	Non-trader	Republic of Ireland
Green Isle Foods Portumna Limited	Non-trader	Republic of Ireland
Green Isle Group Services Limited	Non-trader	Republic of Ireland
Green Isle Holdings ApS	Non-trader	Denmark
Hulcay Limited	Non-trader	Cayman Islands
Island Wharf (100) Limited	Non-trader	England
Island Wharf (300) Limited	Non-trader	England
John Rannock Limited	Non-trader	England
Joseph Mitchell (Letham) Limited	Non-trader	England
Lloyd Maunder Limited	Non-trader	England
Melwood Investments Limited	Non-trader	England
Norcay Limited	Non-trader	Cayman Islands
Northern Foods American Holdings Limited	Non-trader	England
Northern Foods Finance Limited	Non-trader	England
Poldy's Fresh Foods Limited	Non-trader	Republic of Ireland
Scot-Lad Limited	Non-trader	Scotland
2 Sister Food Processors Limited	Dormant	England
2 Sisters Food Group Inc.	Dormant	United States of America
2 Sisters Site Certification Limited	Dormant	England
Amber Proteins Limited	Dormant	Jersey
Billcrest Products Limited	Dormant	Republic of Ireland
Boparan Holdings Inc.	Dormant	United States of America
Buxted Chicken Limited	Dormant	England
Buxted Fresh Quality Foods Limited	Dormant	England
Century Way (Number One) Limited	Dormant	England
Century Way (Wiltshire) Pension Scheme Trustees Limited	Dormant	England
Century Way Dale Limited	Dormant	England
Devon Crest Foods Limited	Dormant	England
Entrancelord Limited	Dormant	England
Fleur De Lys Pies Limited	Dormant	England
Fox's Biscuits Limited	Dormant	England
George Payne & Co Limited	Dormant	England
Hortonwood Bakeries Limited	Dormant	England
Island Wharf (600) Limited	Dormant	England
Mitchell (Game) Limited	Dormant	Scotland
Montgomery Bell Limited	Dormant	Northern Ireland

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

12. INVESTMENTS (continued)

Company	Principal activity	Country of incorporation
Penwood Agriculture Limited*	Dormant	England
Penwood Foods Limited*	Dormant	England
Premier Farming Limited	Dormant	England
Premier Fresh Foods Limited	Dormant	England
Prime Game Limited	Dormant	Scotland
Silverbeach Limited	Dormant	Jersey
The Salad Company Limited	Dormant	England
Today Ultra Limited	Dormant	England
Walter Holland & Sons Limited	Dormant	England

Other than those investments listed below, the Company and the Group own 100% of the ordinary share capital and voting rights of all the companies above, whose activities principally affect the profits or net assets of the Group.

The Company's subsidiary 2 Sisters Europe B.V. owns 96% of the ordinary share capital of 2 Sisters Hamrol Sp. Z.o.o.

The Company and the Group owns 99.9% of the ordinary share capital of 2 Sisters Premier Division Limited.

Investment in associate

Group	£m
At 2 August 2014	1.6
Share of profit	0.9
Translation difference	(0.3)
	<hr/>
At 1 August 2015	2.2
	<hr/> <hr/>

The Company's subsidiary 2 Sisters Europe BV holds a 26% interest in Noblesse Proteins Investments B.V., a company incorporated in Holland.

The amount shown in the consolidated balance sheet represents the amount invested and the Group's share of Noblesse Proteins Investments B.V. post tax profits.

Investment in joint venture

Group	£m
At 2 August 2014	2.5
Share of joint venture loss	(0.9)
	<hr/>
At 1 August 2015	1.6
	<hr/> <hr/>

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

12. INVESTMENTS (continued)

Company	Principal activity	Country of incorporation
Hook 2 Sisters Limited	Chicken growing	England

The Company's subsidiary 2 Sisters Food Group Limited owns 50% of the ordinary share capital of Hook 2 Sisters Limited.

The amount shown in the consolidated balance sheet represents the amount invested and the Group's share of Hook 2 Sisters Limited's post tax profits.

Company

Cost and net book value	£m
At 2 August 2014	145.6
At 1 August 2015	145.6

A list of the Company's direct investments in subsidiary undertakings is provided in the list of subsidiary undertakings set out on pages 38 to 40.

Provisions for impairment are made where it is deemed the carrying value of investment will not be recovered. The directors consider the value of investments to be supported by their underlying assets and future cash flows.

13. STOCKS

	Group	
	1 August 2015 £m	2 August 2014 £m
Stock and work in progress	108.4	108.7
Packaging and consumables	36.0	37.5
	<u>144.4</u>	<u>146.2</u>

The replacement cost of the above stocks would not be significantly different from the values stated.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

14. DEBTORS

	Group		Company	
	1 August 2015 £m	2 August 2014 £m	1 August 2015 £m	2 August 2014 £m
Amounts falling due within one year:				
Trade debtors	181.4	198.5	-	-
Amounts owed by group undertakings	-	-	1,454.7	1,159.8
Amounts owed by joint ventures	2.3	1.3	-	-
Other debtors	52.8	57.4	0.4	-
Corporation tax receivable	-	-	17.8	12.5
Prepayments and accrued income	18.7	17.0	1.0	2.1
	<u>255.2</u>	<u>274.2</u>	<u>1,473.9</u>	<u>1,174.4</u>

Included within trade debtors are debts subject to a debt factoring finance arrangement. The analysis of these debtors is outlined below:

	Group		Company	
	1 August 2015 £m	2 August 2014 £m	1 August 2015 £m	2 August 2014 £m
Gross debtors	196.9	217.0	-	-
Amounts factored	(15.5)	(18.5)	-	-
Trade debtors	<u>181.4</u>	<u>198.5</u>	<u>-</u>	<u>-</u>

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

15. DEFERRED TAX

	£m
Deferred tax asset at 2 August 2014	20.8
Current period credit to profit and loss account	
- exceptional	-
- non exceptional	1.7
Prior period credit to profit and loss account	
- exceptional	-
- non exceptional	10.6
Foreign exchange movement	-
	<hr/>
Deferred tax asset at 1 August 2015	33.1 <hr/> <hr/>

	1 August 2015 £m	2 August 2014 £m
Deferred taxation		
Accelerated capital allowances	21.2	16.9
Other short term timing differences	11.9	3.9
	<hr/>	<hr/>
	33.1 <hr/> <hr/>	20.8 <hr/> <hr/>

The Group has an unrecognised deferred tax asset of £31.4m (2014: £30.7m) in respect of capital losses carried forward as at 1 August 2015. No deferred tax has been recognised on capital losses totaling £159.4m at 1 August 2015 (2014: £153.3m) as it is uncertain when these losses will be utilised against future taxable gains.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	1 August 2015 £m	2 August 2014 £m	1 August 2015 £m	2 August 2014 £m
Obligation under finance leases (note 18)	5.7	3.9	-	-
Bank overdraft	-	-	-	31.6
Trade creditors	325.2	356.4	-	-
Amount owed to group undertakings	-	-	790.2	468.3
Amount owed to joint venture	41.5	33.0	-	-
Corporation tax	2.4	10.7	-	-
Other taxation and social security	10.6	11.4	-	-
Other creditors	23.7	41.0	17.6	20.0
Accruals and deferred income	138.9	143.6	2.2	2.6
Government grants	1.8	2.1	1.2	1.2
	549.8	602.1	811.2	523.7

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	1 August 2015 £m	2 August 2014 £m	1 August 2015 £m	2 August 2014 £m
Obligations under finance leases (note 18)	12.9	8.3	-	-
Bond notes (note 18)	808.3	809.4	-	-
Amount owed to group undertakings	-	-	792.4	819.3
Accruals and deferred income	2.4	3.0	-	-
Government grants	7.3	9.0	2.4	3.5
	830.9	829.7	794.8	822.8

Finance leases are secured over the assets to which they relate.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

18. BORROWINGS

	Group	
	1 August 2015 £m	2 August 2014 £m
Bond notes	816.7	820.7
Bond fees	(8.4)	(11.3)
	<u>808.3</u>	<u>809.4</u>
Bond notes (net of fees)		
Obligations under finance leases	18.6	12.2
	<u>826.9</u>	<u>821.6</u>
Due within one year	5.7	3.9
Due after more than one year	821.2	817.7
	<u>826.9</u>	<u>821.6</u>
Bank loans and bond notes:		
Within one year or less or on demand	-	-
More than one year but not more than two years	-	-
More than two years but not more than five years	250.0	-
More than five years	558.3	809.4
	<u>808.3</u>	<u>809.4</u>
Obligations under finance leases:		
Within one year or less or on demand	5.7	3.9
More than one year but not more than two years	4.3	3.4
More than two years but not more than five years	6.8	4.9
More than five years	1.8	-
	<u>18.6</u>	<u>12.2</u>
Total	<u>826.9</u>	<u>821.6</u>

The bond comprises £250m of Senior Loan Notes due 2019 at an interest rate of 5.25%; £330m of Senior Loan Notes due 2021 at an interest rate of 5.50% and €300m of Senior Loan Notes due 2021 at an interest rate of 4.375%. The Revolving Credit Facility (RCF) of £60m expires in January 2019.

There were no drawings under the RCF during the period or at period ended 1 August 2015. Interest on RCF drawings is calculated with reference to LIBOR and EURLIBOR plus applicable margin. In addition, a commitment fee is charged for the undrawn amount. The principal subsidiaries are guarantors to the facilities.

Finance leases are secured over the assets to which they relate.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

19. PROVISIONS FOR LIABILITIES

	£m
At 2 August 2014	13.9
Current period charge / (credit) to profit and loss account	
- exceptional	11.5
- non exceptional	(0.6)
Utilised in the period	
- exceptional	(11.5)
- non exceptional	(0.7)
Reclassification	
- to exceptional from non exceptional	0.1
- from non exceptional to exceptional	(0.1)
Foreign exchange movement	(0.1)
At 1 August 2015	12.5

Provisions of £12.5m (2014: £13.9m) comprise:

- exceptional provisions of £6.7m (2014: £6.7m) include £3.1m in respect of onerous leases costs at Haughley Park, Letham, Eye and £3.6m relating to the restructuring of the Group's operations during the period. With the exception of the onerous lease provision, these provisions are expected to be utilised in the next 12 months. Further analysis of exceptional costs incurred during the financial period are provided in note 3.
- non-exceptional provisions of £5.8m (2014: £7.2m) largely relate to onerous property lease and associated costs, long term incentive plans and potential employer liability claims. These provisions are materially expected to be utilised in greater than 12 months.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

20. SHARE CAPITAL

	1 August 2015 £m	2 August 2014 £m
Authorised, allotted and fully paid	-	-

The nominal value of the share capital issued at the end of the period was £7,000 (2014: £7,000).

The classes of ordinary share capital in issue at the period end are shown below:

	No of shares	Nominal value	Price paid	Issued share capital £m	Share premium £m
Ordinary (1) shares of £0.01 each	500,800	£0.01	£0.01	-	-
Ordinary (2) shares of £0.01 each	2	£0.01	£487.16	-	-
Ordinary (3) shares of £0.01 each	12,316	£0.01	£487.17	-	6.0
Ordinary (4) shares of £0.01 each	225,799	£0.01	£487.15	-	110.0
Ordinary (5) shares of £0.01 each	20,527	£0.01	£487.16	-	10.0
Ordinary (6) shares of £0.01 each	13,548	£0.01	£487.16	-	6.6
				<u>-</u>	<u>132.6</u>

All tranches of ordinary shares issued have voting rights and the right to full participation in any dividends and returns of capital.

21. RESERVES

	Share premium account £m	Profit and loss account £m
Group		
At 2 August 2014	132.6	(286.9)
Loss for the financial period	-	(4.9)
Pension scheme – actuarial loss	-	(102.4)
Pension scheme – deferred tax on actuarial loss	-	20.4
Exchange difference arising on consolidation of overseas subsidiaries	-	(7.9)
At 1 August 2015	<u>132.6</u>	<u>(381.7)</u>

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

21. RESERVES (continued)

Company	Share premium account £m	Profit and loss account £m
At 2 August 2014	132.6	(97.5)
Loss for the financial period	-	(7.9)
At 1 August 2015	132.6	(105.4)

The loss for the financial period of Company was £7.9m (2014: £69.7m). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the Company.

22. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' (DEFICIT) / FUNDS

Group	1 August 2015 £m	2 August 2014 £m
Loss for the financial period	(4.9)	(143.5)
Other recognised gains and losses relating to the period	(89.9)	(60.3)
Opening shareholders' (deficit) / funds	(154.3)	49.5
Closing shareholders' deficit	(249.1)	(154.3)

23. MINORITY INTEREST

Group	1 August 2015 £m	2 August 2014 £m
At 2 August 2014	0.9	0.7
Profit on ordinary activities	0.3	0.2
Translation difference	(0.2)	-
At 1 August 2015	1.0	0.9

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

24. FINANCIAL COMMITMENTS

Capital commitments

There were capital commitments of £0.4m at 1 August 2015 (2014: £7.2m) provided for at the period end and £6.8m (2014: £18.2m) capital commitments contracted for but not provided for.

Operating lease commitments

The payments which the Group is committed to make in the next period under operating leases are as follows:

	1 August 2015 £m	2 August 2014 £m
Land and buildings leases expiring:		
Within one year	0.1	0.5
Two to five years	4.8	6.0
Over five years	3.7	2.2
	<hr/> 8.6 <hr/>	<hr/> 8.7 <hr/>
Other leases expiring:		
Within one year	2.1	1.4
Two to five years	5.2	4.8
Over five years	0.2	0.4
	<hr/> 7.5 <hr/>	<hr/> 6.6 <hr/>

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

25. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1 August 2015	2 August 2014
	£m	£m
Operating profit from continuing operations	47.3	44.8
Depreciation	55.1	60.9
Amortisation of goodwill	30.4	29.9
Impairment of plant & machinery	-	18.2
Loss on disposal of subsidiary company	-	0.5
Profit on disposal of plant & machinery	(0.3)	(0.4)
Payments made to defined benefit pension schemes	(19.6)	(10.2)
Grants and other non cash movements	(1.6)	(2.4)
(Increase) / decrease in stocks	(0.3)	4.0
Decrease / (increase) in debtors	13.3	(17.4)
Decrease in creditors and provisions	(28.8)	(12.6)
Cash impact of fundamental restructuring	(16.8)	(36.1)
	<u>78.7</u>	<u>79.2</u>
Net cash inflow from operating activities	<u>78.7</u>	<u>79.2</u>

The cash impact of fundamental restructuring of £16.8m includes £6.6m of cash paid relating to the closure of sites across the Group. The cash impact of fundamental restructuring of £36.1m in the prior period includes £25.5m of cash paid relating to the closure of sites across the Group.

26. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1 August 2015	2 August 2014
	£m	£m
(Decrease) / increase in cash (net of overdrafts)	(44.4)	37.4
Cash inflow from debt and lease financing	(6.4)	(153.3)
Change in net debt resulting from cash flows	(50.8)	(115.9)
Effect of foreign exchange rates	(1.2)	18.0
Movement in net debt	(52.0)	(97.9)
Net debt brought forward	(664.6)	(566.7)
Net debt carried forward	<u>(716.6)</u>	<u>(664.6)</u>

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

27. ANALYSIS OF NET DEBT

	2 August 2014 £m	Cash flow £m	Other movements £m	Foreign exchange £m	1 August 2015 £m
Cash balances (net of overdrafts)	168.3	(44.4)	-	(5.2)	118.7
Debt due within one year	-	-	-	-	-
Debt due after more than one year	(809.4)	-	(1.6)	2.7	(808.3)
Finance leases	(12.2)	(6.4)	-	-	(18.6)
Total debt	(821.6)	(6.4)	(1.6)	2.7	(826.9)
Prepayment of bond fees	(11.3)	-	1.6	1.3	(8.4)
Net debt	(664.6)	(50.8)	-	(1.2)	(716.6)

Management define net debt as the net of borrowings including finance leases less cash balances. The other movement of £1.6m on debt due after more than one year is amortisation of the prepayment of bond fees. In the balance sheet, the bond balance is shown net of the prepaid bond fees. Management monitor and view the net debt figure excluding prepaid fees and so it is added back into net debt in the table above.

During the period the Group entered into finance lease agreements with a capital value at the inception of the lease of £11.3m (2014: £9.3m).

	27 July 2013 £m	Cash flow £m	Other movements £m	Foreign exchange £m	2 August 2014 £m
Cash balances net of overdrafts	133.4	37.4	-	(2.5)	168.3
Debt due within one year	-	-	-	-	-
Debt due after more than one year	(676.7)	(147.7)	(4.2)	19.2	(809.4)
Finance leases	(6.6)	(5.6)	-	-	(12.2)
Total debt	(683.3)	(153.3)	(4.2)	19.2	(821.6)
Prepayment of bond fees	(16.8)	-	4.2	1.3	(11.3)
Net debt	(566.7)	(115.9)	-	18.0	(664.6)

The other movement of £4.2m on debt due after more than one year relates to £2.8m in respect of amortisation of the prepayment of bond fees and £1.4m increase in bond fees as a result of the refinancing activities during the prior period.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Period ended 1 August 2015**

28. PENSION ARRANGEMENTS

DEFINED CONTRIBUTION SCHEMES

The Group contributes to defined contribution schemes for all qualifying employees. The total cost charged to income of £12.5m (2014: £11.9m) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. At 1 August 2015 contributions of £0.8m (2014: £nil) due in respect of the current reporting period had not been paid over to the schemes.

DEFINED BENEFIT SCHEMES

The Group operates a number of defined benefit schemes for qualifying employees, principally the Northern Foods Pension Scheme, Northern Foods Pension Builder, R & K Wise Scheme and the Lloyd Maunder Limited Retirement Benefit and Life Assurance Scheme in the United Kingdom, the Green Isle Foods Group Retirement and Death Benefit Plan (the Plan) in the Republic of Ireland and 2 Sisters Holland B.V pension arrangements in the Netherlands. Under the Schemes, the Pension Builder and the Plan, employees are entitled to retirement benefits based on pay and service. The Schemes, the Pension Builder and the Plan are funded schemes whilst the Group's Post-retirement medical benefit scheme is unfunded. The Schemes and the Plan are final salary schemes. Pension Builder is a defined benefit scheme based on the career average principle. The assets of all the Schemes, the Pension Builder and the Plan are held in trustee administered funds separate from the finances of the Group. All UK and Irish schemes are closed to new entrants.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

28. PENSION ARRANGEMENTS (continued)

The Northern Foods Pension Scheme and Northern Foods Pension Builder Scheme were both closed to future accrual with effect from 1 November 2011. A similar proposal became effective for the Green Isle pension scheme from 31 October 2013, which ended the link to salaries.

The most recent actuarial valuations of the defined benefit schemes for the purpose of the financial statements and the present value of defined benefit obligations were carried out at 1 August 2015 by independent qualified actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost was measured using the projected unit credit method.

It has been deemed appropriate by management to aggregate all pension schemes together in the disclosure notes below. Funding plans agreed to reduce the deficit (principally relating to the Northern Foods Pension Scheme) are discussed later in this note. Principal assumptions and sensitivity analysis is disclosed for the Northern Foods Pension Scheme only on the basis that there are no significant differences between the assumptions used for the other schemes.

The principal assumptions used for the actuarial valuations of the Schemes were:

	1 August 2015	2 August 2014
Rate of increase in salaries	n/a	n/a
Inflation assumption	3.1%	3.1%
Discount Rate	3.5%	4.1%
Rate of increase in pension payments	2.9%	2.9%
Mortality	CMI_2014	CMI_2013

The mortality assumptions used are based on mortality experience of the schemes and anticipated mortality experience. The Group has adopted the SAPS All base tables with scaling factors appropriate for each section of the membership with the core CMI 2014 projections with a long-term rate of improvement of 0.5% per annum to reflect a detailed mortality study completed by the Trustees.

The life expectancy in years for a member aged 65 is as follows:

	1 August 2015 (years)	2 August 2014 (years)
Current pensioner - male	20.8	20.8
- female	22.5	22.5
Future pensioner - male	21.1	21.1
- female	23.5	23.4

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

28. PENSION ARRANGEMENTS (continued)

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at each balance sheet date were:

	%	1 August 2015 £m	%	2 August 2014 £m
Equities	6.1	248.2	6.8	278.3
Bonds	3.5	285.8	4.1	243.4
Cash	0.5	19.6	0.5	26.6
Hedge Funds	2.6	106.0	3.5	86.1
Other	2.6	246.2	3.5	244.4
		<hr/>		<hr/>
Total fair value of assets		905.8		878.8
		<hr/>		<hr/>
Present value of scheme liabilities		(1,238.3)		(1,117.8)
		<hr/>		<hr/>
Pension scheme liability		(332.5)		(239.0)
		<hr/>		<hr/>
Limitation of pensions asset		(0.5)		(0.6)
		<hr/>		<hr/>
Net defined benefit liability before deferred tax		(333.0)		(239.6)
		<hr/>		<hr/>
Deferred tax asset		65.8		46.9
		<hr/>		<hr/>
Net pension scheme liability		(267.2)		(192.7)
		<hr/> <hr/>		<hr/> <hr/>

The other asset category includes derivatives and property assets.

If life expectancy is increased or decreased by one year, liabilities are estimated to increase or decrease by £30.0m respectively (2014: £28.0m). The impact of a 0.1% increase or decrease in the discount rate would decrease or increase liabilities by £21.0m respectively (2014: £19.0m). The impact of a 0.1% increase or decrease in inflation rate would decrease or increase liabilities by £16.0m respectively (2014: £19.0m).

The expected return on return seeking assets is set with reference to Fixed Interest Gilt Yields (which yielded 2.5% at 1 August 2015 and 3.20% at 2 August 2014), implying an "equity" risk premium of 3.6% pa in the current period, and 4.0% pa in the prior period. The expected return on collateral pool assets is the rate available on a 20 year swap curve adjusted by 0.3% to reflect the risk premium of the collateral pool (2014: 0.3%).

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

28. PENSION ARRANGEMENTS (continued)

Post-retirement medical benefit scheme

Until 31 March 1999, Northern Foods Limited operated a post-retirement medical benefit scheme. The method of accounting, assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes detailed above. The main actuarial assumptions are the underlying medical cost inflation of 5.1% per annum (2014: 5.1%) and the discount rate of 3.5% per annum (2014: 4.1%).

If the assumed rate of underlying medical cost inflation increased or decreased by 0.1% per annum then the valuation of the liabilities is estimated to increase or decrease by less than £0.1m (2014: less than £0.1m) respectively.

Amounts recognised in the income statement in respect of the Group's defined benefit schemes and post-employment medical benefit scheme are as follows:

	Defined benefit schemes		Post-retirement medical benefit scheme		Total retirement benefit schemes	
	1 August 2015 £m	2 August 2014 £m	1 August 2015 £m	2 August 2014 £m	1 August 2015 £m	2 August 2014 £m
Current service cost	-	-	-	-	-	-
Interest on obligation	44.4	45.6	0.1	0.2	44.5	45.8
Expected return on scheme assets	(32.4)	(36.7)	-	-	(32.4)	(36.7)
Charge to profit and loss account	12.0	8.9	0.1	0.2	12.1	9.1

Current period

Actuarial gains and losses have been reported in the statement of total recognised gains and losses. The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since the adoption of FRS 17 is a loss of £313.0m (2014: loss of £210.4m).

The actual return on scheme assets was £50.3m (2014: £30.8m).

The net impact of the unwinding of the discount rate on scheme liabilities and the expected return on the scheme assets has been charged to interest payable.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

28. PENSION ARRANGEMENTS (continued)

Amounts recognised in the consolidated balance sheet in respect of the Group's defined benefit schemes and post-retirement medical benefit scheme are as follows:

	Defined benefit schemes		Post-retirement medical benefit scheme		Total retirement benefit schemes	
	1 August 2015 £m	2 August 2014 £m	1 August 2015 £m	2 August 2014 £m	1 August 2015 £m	2 August 2014 £m
Present value of obligations	(1,235.9)	(1,115.3)	(2.4)	(2.5)	(1,238.3)	(1,117.8)
Fair value of scheme assets	905.8	878.8	-	-	905.8	878.8
	(330.1)	(236.5)	(2.4)	(2.5)	(332.5)	(239.0)
Limitation of pensions asset	(0.5)	(0.6)	-	-	(0.5)	(0.6)
Net defined benefit liability before deferred tax	(330.6)	(237.1)	(2.4)	(2.5)	(333.0)	(239.6)
Deferred taxation	65.3	46.4	0.5	0.5	65.8	46.9
Net pension liability	(265.3)	(190.7)	(1.9)	(2.0)	(267.2)	(192.7)

Changes in the present value of the scheme liabilities:

	Defined benefit schemes		Post-retirement medical benefit scheme		Total retirement benefit schemes	
	1 August 2015 £m	2 August 2014 £m	1 August 2015 £m	2 August 2014 £m	1 August 2015 £m	2 August 2014 £m
Scheme liabilities at start of period	1,115.3	1,049.3	2.5	2.0	1,117.8	1,051.3
Interest on pension scheme liabilities	44.4	45.6	0.1	0.2	44.5	45.8
Benefits paid	(40.7)	(37.9)	(0.1)	(0.2)	(40.8)	(38.1)
Actuarial losses on liabilities	120.3	60.8	(0.1)	0.5	120.2	61.3
Exchange	(3.4)	(2.5)	-	-	(3.4)	(2.5)
Scheme liabilities at end of period	1,235.9	1,115.3	2.4	2.5	1,238.3	1,117.8

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

28. PENSION ARRANGEMENTS (continued)

Changes in fair value of the scheme assets

	Defined benefit schemes	
	1 August 2015 £m	2 August 2014 £m
Scheme assets at start of the period	878.8	877.2
Expected return on scheme assets	32.4	36.7
Contributions by the employer	19.6	10.2
Benefits paid	(40.7)	(37.9)
Actuarial gain / (loss) on scheme assets	17.8	(5.9)
Exchange	(2.1)	(1.5)
Fair value of scheme assets at the period end	<u>905.8</u>	<u>878.8</u>

Contributions by the employer of £19.6m (2014: £10.2m) include £16.4m (2014: £6.3m) special pension contributions, £1.7m (2014: £2.1m) PPF levy and £1.5m (2014: £1.8m) in respect of future administrative expenses.

History of experience adjustments:

	1 August 2015 £m	2 August 2014 £m	27 July 2013 £m	29 July 2012 £m	30 July 2011 £m
Fair value of scheme assets	905.8	878.8	877.2	792.9	779.5
Present values of scheme liabilities	(1,238.3)	(1,117.8)	(1,051.3)	(1,013.9)	(879.1)
Deficit in the scheme	<u>(332.5)</u>	<u>(239.0)</u>	<u>(174.1)</u>	<u>(221.0)</u>	<u>(99.6)</u>
Experience gains on scheme liabilities	<u>0.2</u>	<u>6.2</u>	<u>-</u>	<u>-</u>	<u>-</u>
Experience gains / (losses) on scheme assets	<u>17.8</u>	<u>(5.9)</u>	<u>51.5</u>	<u>(20.3)</u>	<u>4.7</u>

The Group have agreed to make payments in respect of the shortfall in the Northern Foods Pension Scheme, until January 2031. The current funding rate under the agreement is £15.0m per annum until March 2017. The levels of contributions are based on the expected future cash flows of the defined benefit scheme.

The annuities will mature over an 18 year period.

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

29. RELATED PARTY TRANSACTIONS

The Group has taken advantage of the exemption under FRS 8 'Related Party Disclosures' and has not disclosed transactions or balances between wholly owned subsidiary undertakings.

The Group incurred rental charges of £5.2m (2014: £2.3m) and associated service charges of £1.0m (2014: £1.0m) from Amber Real Estate Investment Limited (AREIL), a related party by virtue of common ownership. At the period end the total outstanding creditor was £0.7m (2014: £nil) and the outstanding debtor £0.1m (2014: £0.2m).

On 6th July following the closure of its operations at the Eye poultry processing facility, the Group sold plant & machinery from their Eye site, with a net book value of £1.2m, to AREIL for proceeds of £1.5m. The Group lease the Eye site from AREIL. This consideration was settled in return for the waiver of estimated dilapidations costs of £1.5m by AREIL. An exceptional profit of £0.3m has been recognised on the sale of plant & machinery in the period, and no amounts remain outstanding in respect of this transaction at the period end. The Group continue pay rent for the Eye site to AREIL under the terms of the lease.

The Group incurred rental charges of £0.3m (2014: £0.9m) from 2 Agriculture Limited, a related party by virtue of common ownership. Total purchases by the Group from 2 Agriculture Limited during the period were £2.0m (2014: £316.8m). Total sales by the Group to 2 Agriculture Limited during the period were £0.3m (2014: £nil). At the period end the total debtor outstanding was £nil (2014: £0.1m) and the total creditor outstanding was £nil (2014: £16.2m).

The Group also incurred rental charges of £0.4m (2014: £3.2m) from W&WE (Wales & West England) Limited, a related party by virtue of common ownership. At the period end the total creditor outstanding was £nil (2014: £0.1m) and outstanding trade receivables was £nil (2014: £0.3m).

The Group sales to Noblesse Proteins Investments B.V., a company in which the Group holds a 26% interest, were £1.6m for the period (2014: £1.6m). At the end of the period there was an outstanding loan balance of £0.2m (2014: £0.2m) and outstanding trade receivables of £0.2m (2014: £0.2m).

Hook 2 Sisters Limited is a related party by virtue of the Group's 50% investment in the Company. A loan made to Hook 2 Sisters Limited of £1.3m was repayable on 9 February 2012 however remains outstanding at the period ended 1 August 2015. A further loan of £1m was made to Hook 2 Sisters Ltd in August 2014, which is due in August 2019. Total purchases by the Group from Hook 2 Sisters Limited during the period were £568.4m (2014: £377.6m). Total sales by the Group to Hook 2 Sisters during the period were £0.2m (2014: £nil). At the period end the total creditor outstanding was £41.5m (2014: £33.0m).

During the period the Group traded with Storteboom Hamrol Sp. Z o.o, of which Boparan Holdings Limited indirectly owns 96%. The Group made purchases of £1.7m (2014: £2.2m) during the period. At the period end there was an outstanding balance of £nil (2014: £0.2m).

Group sales to Letham Poultry Limited, a related party by virtue of common ownership were £6.4m (2014: £14.6m). Total purchases by the Group from Letham Poultry Limited were £18.4m (2014: £11.7m). At the period end the total debtor outstanding was £0.3m (2014: £2.4m) and the total creditor outstanding was £0.3m (2014: £1.0m).

Group sales to Food Utopia Limited, a related party by virtue of common ownership were £3.5m (2014: £nil). At the period end the total debtor outstanding was £0.2m (2014: £nil).

Group sales to subsidiaries of Booker Group plc, a related party by virtue of common directorship were £2.6m (2014: £nil). At the period end the total debtor outstanding was £0.5m (2014: £nil)

The Company donated £253,000 (2014: £32,000) to the Boparan Charitable Trust during the period, a related party by virtue of common ownership.

During 2013, a director, Lord Allen of Kensington, took a loan in relation to his participation in the Growth Securities Ownership Plan of which £350,000 was outstanding at the period end (2014: £350,000).

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Period ended 1 August 2015**

29. RELATED PARTY TRANSACTIONS (continued)

On 2 August 2014 prior to the disposal of the Solway Corby and Avana sites, certain assets of the businesses were hived into a subsidiary company, The Pie Company Limited, in exchange for share capital of £7.6m. The parent company subscribed for an additional £4.9m of share capital and the subsidiary was then disposed of to InvestCo 1 Limited, a related party by virtue of common ownership, for £1. During the period the Group made payments of £4.9m to Food Utopia Limited to settle the outstanding share capital. No amounts remain outstanding in respect of this transaction as at 1 August 2015.

Group purchases from Pargat & Co Limited, a related party by virtue of common ownership were £0.1m (2014: £nil). At the period end the total debtor outstanding was £0.1m (2014: £nil).

30. CONTINGENT LIABILITIES

Boparan Holdings Limited and other Group subsidiary companies are guarantors in respect of the Senior Loan Notes due 2019 and 2021, whereby they absolutely and unconditionally guarantee the principal and interest on the Senior Loan Notes. The same companies are cross guarantors in respect of the Boparan Holdings Group's £60m Revolving Credit Facility which is a facility of Boparan Holdings Limited. This facility was undrawn at the balance sheet date. The total bond value as at 1 August 2015 per the Boparan Holdings Group accounts was £808.3m net of fees (2014: £809.4m) however the individually guaranteed amount is not readily available.

Northern Foods Limited is the guarantor in respect of the obligations of several subsidiary undertakings with Allied Irish Bank. As at 1 August 2015 Northern Foods Limited guaranteed £nil (2014: £nil).

For the purposes of the exemptions referred to in section 357 of the Irish Companies Act 2014, and not otherwise, Boparan Holdings Limited as the holding undertaking of the undertakings listed below, hereby irrevocably guarantees in respect of the financial year ended on the 1st August 2015, all of the liabilities of the undertakings listed below; provided that this guarantee shall not extend to any liability or commitment of the undertakings listed below which shall not have arisen otherwise than in respect of that financial year or which shall not constitute a liability or loss.

The liabilities in respect of the undertakings listed below, which have arisen in respect of the financial year ended on 1st August 2015, are already included within the Group's consolidated balance sheet.

Billcrest Products Limited

Green Isle Foods (Boyle) Limited

Green Isle Food Group Limited

Green Isle Foods Limited

Green Isle Foods Portumna Limited

Green Isle Group Services Limited

Poldy's Fresh Foods Limited

BOPARAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Period ended 1 August 2015

31. DERIVATIVES NOT INCLUDED AT FAIR VALUE

The Group has the following derivatives which are not included at fair value in the accounts:

		Fair value 2015	Fair value 2014
	Currency	£m	£m
Forward foreign exchange contracts to sell	GBP	(1.3)	(0.2)
Cross currency swap attached to euro denominated Loan Notes	EUR	(54.5)	(24.7)

The Company has the following derivatives which are not included at fair value in the accounts:

		Fair value 2015	Fair value 2014
	Currency	£m	£m
Cross currency swap attached to euro denominated Loan Notes	EUR	(54.5)	(24.7)

The Group and company uses the derivatives to hedge its exposure to changes in foreign currency exchange rates and to manage its exposure to interest rate movements on its bank borrowings. The fair values are based on market values of equivalent instruments at the balance sheet date.

32. ULTIMATE CONTROLLING PARTY

Boparan Midco Limited is the immediate parent of the Group and R S Boparan and B K Boparan are the ultimate controlling parties. Boparan Holdco Limited is the smallest and largest group into which the Group is consolidated. Copies of the Group financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.