

NEWLY WEDS FOODS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Company Registration Number 374033



NEWLY WEDS FOODS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

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NEWLY WEDS FOODS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2011

The board of directors	C Angell S Hall J Seely
Company secretary	J Seely
Business address	Owl Lane Ossett Wakefield West Yorkshire WF5 9AX
Registered office	Owl Lane Ossett Wakefield West Yorkshire WF5 9AX
Auditor	RSM Tenon Audit Limited 2 Wellington Place Leeds LS1 4AP

NEWLY WEDS FOODS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements of the company for the year ended 31 December 2011

Principal activities and business review

The principal activity of the company is the manufacture, processing and distribution of food ingredients

There have been no significant changes in the company's principal activities in the year under review. The directors are not aware of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 8, the company made a profit for the year after taxation amounting to £7,672,034 (2010 £1,556,245) with turnover up 28%. This is mainly due to the company simplifying its group structure, resulting in a gain of £6,138,436. The company also continues its strategic move to broaden its customer and product base and gain a larger share of the added value market whilst still maintaining core business combined with further improvements in both plant and overhead efficiencies. The company expects that profits will continue to rise steadily in the coming year as new products are launched and its share of the export market continues to grow.

Key Performance Indicators

Return On Capital Employed

The company aims to increase shareholder value and measures performance against this objective by measuring ROCE. Source data is taken from the audited financial statements.

The company has managed to achieve its target ROCE for 2011, and has continued to make improvements year on year. This is due to the company improving its use of capital employed by improving efficiencies and changing its product mix as mentioned in the business review above.

Gross Margin

The group aims to maximise profit available for distribution to its shareholders (parent company) as measured by Gross Margin. Source data is taken from the audited financial statements.

Gross Margin improved year on year as the company continued to expand its customer base to include more of the added value end of the market, whilst maintaining its share of core business. This combined with increased revenue from its export business (partly due to the favourable exchange effect of the Euro to GBP from a sales perspective) has meant the company has not only been able to achieve its targeted Gross Margin, but also improve it year on year.

Annualised Sales Growth

The company aims to increase shareholder value through growth in revenue, linked to profitability (see Gross Margin above). Source data is taken from the audited financial statements.

The company has managed to achieve its targeted level of growth, with sales volumes being higher than last year. This is due mainly to selling price increases driven mainly by the flour harvest, plus an improving revenue stream from its export markets, driven by the Euro to GBP exchange rate, combined with the continued strategic move to gain a larger share of the added value market whilst still maintaining core business.

NEWLY WEDS FOODS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2011

(continued)

Financial risk management objectives and policies

The company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk

The company does not have material exposure in any of the areas identified above and, consequently does not use derivative instruments to manage these exposures

The company's principal financial instruments comprise sterling cash and bank deposits, bank loans and overdrafts, other loans and obligations under finance leases together with trade debtors and trade creditors that arise directly from its operations

The main risks arising from the company's financial instruments can be analysed as follows

Price risk

The company has no significant exposure to securities price risk, as it holds no listed equity investments

Foreign currency risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. No specific hedging instrument is in place to cover this but, given the level of trading denominated in foreign currencies and the fact that the company both buys and sells goods within Europe, the company considers this to be a natural hedge therefore reducing the risk. The main foreign currencies in which the company operates are the euro and US dollar

Credit risk

The company's principal financial assets are bank balances, cash, and trade debtors which represent the company's maximum exposure to credit risk in relation to financial assets. The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the company's management based on prior experience and their assessment of the current economic environment. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers

Liquidity risk

The company currently operates with net cash reserves and has access to further funding lines through its ultimate parent company, Newly Weds Foods Inc

Cash flow interest rate risk

Interest bearing assets comprise cash and bank deposits, all of which earn interest at a fixed rate. The interest rate on the bank overdraft is at market rate and the company's policy is to keep the overdraft within defined limits such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows. The company's policy is to maintain other borrowings at fixed rates to fix the amount of future interest cash flows. The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on financial performance of the company

NEWLY WEDS FOODS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2011

(continued)

Directors

The directors who served the company during the year were as follows

C Angell
S Hall
J Seely

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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.

In so far as the directors are, individually, aware

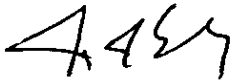
- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

NEWLY WEDS FOODS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2011

Auditor

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors



J Seely
Director

Approved by the directors on 22nd May 2012

NEWLY WEDS FOODS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWLY
WEDS FOODS LIMITED
YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Newly Weds Foods Limited for the year ended 31 December 2011 on pages 8 to 19. 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 set out on page 5, 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

NEWLY WEDS FOODS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWLY
WEDS FOODS LIMITED *(continued)*
YEAR ENDED 31 DECEMBER 2011

Matters on which we are required to report by exception

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

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

RSM Tenon Audit Limited

Paul Langhorn, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditor
2 Wellington Place
Leeds
LS1 4AP

30 June 2012

NEWLY WEDS FOODS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Turnover	2	36,034,719	28,103,049
Cost of sales		(27,650,774)	(21,917,135)
Gross profit		<u>8,383,945</u>	<u>6,185,914</u>
Distribution costs		(5,255,445)	(3,854,880)
Administrative expenses		(1,480,735)	(1,557,062)
Other operating income	3	105,815	51,324
Operating profit	4	<u>1,753,580</u>	<u>825,296</u>
Profit on disposal of fixed assets	7	–	101,296
Income from group restructuring	8	6,138,436	–
		<u>7,892,016</u>	<u>926,592</u>
Interest receivable and similar income	9	130,551	228,063
Interest payable and similar charges	10	–	(179,997)
Profit on ordinary activities before taxation		<u>8,022,567</u>	<u>974,658</u>
Tax on profit on ordinary activities	11	(350,533)	581,587
Profit for the financial year		<u><u>7,672,034</u></u>	<u><u>1,556,245</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 10 to 19 form part of these financial statements


NEWLY WEDS FOODS LIMITED
Registered Number 374033

BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	13	799,567	577,217
Investments	14	—	1,489,482
		<u>799,567</u>	<u>2,066,699</u>
Current assets			
Stocks	15	1,323,558	2,109,254
Debtors due within one year	16	9,709,446	24,969,563
Debtors due after one year	16	—	279,415
Cash at bank		1,658,161	1,394,143
		<u>12,691,165</u>	<u>28,752,375</u>
Creditors Amounts falling due within one year	18	<u>(6,742,292)</u>	<u>(8,175,100)</u>
Net current assets		5,948,873	20,577,275
Total assets less current liabilities		<u>6,748,440</u>	<u>22,643,974</u>
Creditors Amounts falling due after more than one year	19	—	(174,037)
		<u>6,748,440</u>	<u>22,469,937</u>
Capital and reserves			
Called-up share capital	22	5,000,000	20,000,001
Share premium account	23	—	1,369,856
Profit and loss account	23	1,748,440	1,100,080
Shareholders' funds	24	<u>6,748,440</u>	<u>22,469,937</u>

These financial statements were approved by the directors and authorised for issue on 22nd May 2012, and are signed on their behalf by


J Seely
Director

The notes on pages 10 to 19 form part of these financial statements

NEWLY WEDS FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. Accounting policies

Basis of accounting

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

Under Section 400 of the Companies Act 2006 the company is exempt from preparing consolidated financial statements because it is a subsidiary of Newly Weds Foods Acquisition Limited, a company registered in an EEA state and that company prepares and files consolidated financial statements which meet the conditions set out in section 400. Therefore, the financial statements present information about the company as an individual undertaking and not about its group.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is a subsidiary, where 90 per cent or more of the voting rights are controlled within the group and the parent company, Newly Weds Foods Acquisition Limited, has prepared publicly available consolidated financial statements which include a consolidated cash flow statement incorporating the company's cash flows.

Related parties transactions

The company is a 100% owned subsidiary of Newly Weds Foods Acquisition Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the group that qualify as related parties.

Turnover

Turnover is the revenue arising from the sales of goods and services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts.

Revenue from the sale of goods is recognised when the sufficient risks and benefits of ownership of the product have been transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

Research and development

Research and development expenditure is written off in the profit and loss account in the period in which it is incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant & Machinery	- 5-50% per annum
Short leasehold land and buildings	- life of lease

NEWLY WEDS FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. Accounting policies *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Operating lease agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax. Deferred tax assets and liabilities are not discounted.

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

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

Fixed asset investments

Fixed asset investments are recognised at historic cost less any diminution in value due to impairment.

Investments are reviewed annually for impairment in accordance with UK GAAP if circumstances or events indicate that the carrying value of investments may not be recoverable.

When a review for impairment is carried out, the carrying value of the investments is compared with the recoverable amount. The recoverable amount is determined as being the higher of the expected net realisable value or the present value of the expected cash flows attributable to each subsidiary. The discount rate used to determine the present value is a rate considered by the directors, to be a reasonable approximation to the company's risk adjusted weighted average cost of capital.

NEWLY WEDS FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	22,810,748	22,803,143
Other EU countries	12,577,653	4,627,785
Non EU countries	646,318	672,121
	<u>36,034,719</u>	<u>28,103,049</u>

3. Other operating income

	2011 £	2010 £
Other operating income	<u>105,815</u>	<u>51,324</u>

4 Operating profit

Operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of owned fixed assets	169,366	286,189
Profit on disposal of fixed assets	–	(3,182)
Auditor's remuneration		
- as auditor	21,000	21,000
- for other services	5,000	5,000
Operating lease costs		
-Plant and machinery	88,194	86,712
-Other	650,123	390,732
Net (profit)/loss on foreign currency translation	<u>(30,672)</u>	<u>217,881</u>

NEWLY WEDS FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2011	2010
	No	No
Number of production staff	111	107
Number of distribution staff	50	41
Number of administrative staff	27	26
	<u>188</u>	<u>174</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	6,114,171	5,236,099
Social security costs	649,540	545,487
Other pension costs	212,429	185,662
	<u>6,976,140</u>	<u>5,967,248</u>

6. Directors' remuneration

No remuneration was paid to directors during the year (2010 - £nil)

7. Profit on disposal of fixed assets

	2011	2010
	£	£
Profit on disposal of fixed assets	<u>—</u>	<u>101,296</u>

In the year ended 31 December 2010 the company sold freehold property, with a net book value of £3,318,705 to Angell Realty VIII, a company controlled by C Angell, a director. A gain of £101,296 was made as a result of the transaction.

8. Income from group restructuring

Exceptional income in the year relates to the restructuring of the European sub group headed by Newly Weds Foods Acquisition Limited. Monies derived from the dissolution of Newly Weds Foods (Europe) Limited, NWF Europe Limited, and Newly Weds Foods European Trading Limited Partnership amounted to £6,138,436 in the year ended 31 December 2011.

9. Interest receivable and similar income

	2011	2010
	£	£
Bank interest receivable	398	653
Group interest receivable and similar income on inter company loans payable	130,153	135,308
Other similar income receivable	<u>—</u>	<u>92,102</u>
	<u>130,551</u>	<u>228,063</u>

NEWLY WEDS FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

10. Interest payable and similar charges

	2011 £	2010 £
Other similar charges payable	—	<u>179,997</u>

11. Taxation on ordinary activities

(a) Analysis of charge in the year

	2011 £	2010 £
In respect of the year		
UK Corporation tax	15,942	(22,758)
Deferred tax		
Origination and reversal of timing differences	<u>334,591</u>	<u>(558,829)</u>
Total deferred tax (note 17)	334,591	(558,829)
Tax on profit on ordinary activities	<u>350,533</u>	<u>(581,587)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26 50% (2010 - 28%)

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>8,022,567</u>	<u>974,658</u>
Profit on ordinary activities by rate of tax	2,126,300	272,906
Effects of		
Expenses not deductible for tax purposes	7,547	24,388
Capital allowances for period in excess of depreciation	(17,906)	7,216
Utilisation of tax losses brought forward	(455,102)	(277,225)
Other short term differences	(18,211)	(31,855)
Profit on disposal of subsidiaries	(1,626,686)	—
Intra group disposals	—	(18,188)
Total current tax (note 11(a))	<u>15,942</u>	<u>(22,758)</u>

NEWLY WEDS FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

12. Dividends

Equity dividends

	2011 £	2010 £
Paid during the year		
Dividends on equity shares	23,393,531	—

13. Tangible fixed assets

	Plant & Machinery £	Short leasehold land and buildings £	Total £
Cost			
At 1 January 2011	16,979,874	470,213	17,450,087
Additions	391,716	—	391,716
At 31 December 2011	17,371,590	470,213	17,841,803
Depreciation			
At 1 January 2011	16,444,407	428,463	16,872,870
Charge for the year	164,766	4,600	169,366
At 31 December 2011	16,609,173	433,063	17,042,236
Net book value			
At 31 December 2011	762,417	37,150	799,567
At 31 December 2010	535,467	41,750	577,217

NEWLY WEDS FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

14. Investments

	<i>Shares in group undertakings £</i>
Cost	
At 1 January 2011	1,634,690
Disposals	(1,634,690)
At 31 December 2011	<u>-</u>
Amounts written off	
At 1 January 2011	145,208
Reversal of write off in year	(145,208)
At 31 December 2011	<u>-</u>
Net book value	
At 31 December 2011	<u>-</u>
At 31 December 2010	<u>1,489,482</u>

During the year Newly Weds Foods Inc have restructured the European sub group headed by Newly Weds Foods Acquisition Limited. As a result Newly Weds Foods (Europe) Limited, NWF Europe Limited and Newly Weds Foods European Trading Limited Partnership have been dissolved. The accounting impact of these transactions have been recognised in full within the financial statements to the year ended 31 December 2011.

Newly Weds Foods Limited holds no equity investments at the year end.

15. Stocks

	2011 £	2010 £
Raw materials	803,856	1,187,049
Finished goods	519,702	922,205
	<u>1,323,558</u>	<u>2,109,254</u>

16. Debtors

	2011 £	2010 £
Trade debtors	5,660,715	4,499,163
Amounts owed by group undertakings	3,380,654	19,676,284
Other debtors	125,450	250,534
Prepayments and accrued income	318,389	264,168
Deferred taxation (note 17)	224,238	558,829
	<u>9,709,446</u>	<u>25,248,978</u>

NEWLY WEDS FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

16. Debtors (continued)

The debtors above include the following amounts falling due after more than one year

	2011 £	2010 £
Deferred taxation	—	<u>279,415</u>

Deferred tax assets are recoverable to the extent that current performance indicates that historic trading losses will be recoverable against taxable profits for the foreseeable future

17. Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2011 £	2010 £
Included in debtors (note 16)	<u>224,238</u>	<u>558,829</u>

The movement in the deferred taxation account during the year was

	2011 £	2010 £
At 1 January 2011	558,829	—
Profit and loss account movement arising during the year	(334,591)	<u>558,829</u>
At 31 December 2011	<u>224,238</u>	<u>558,829</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2011 £	2010 £
Excess of taxation allowances over depreciation on fixed assets	57,839	—
Tax losses available	163,332	<u>558,829</u>
Other timing differences	3,067	—
	<u>224,238</u>	<u>558,829</u>

18. Creditors: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	6,185,981	5,111,655
Amounts owed to group undertakings	72,746	2,427,939
PAYE and social security	33,577	22,930
Accruals and deferred income	449,988	612,576
	<u>6,742,292</u>	<u>8,175,100</u>

NEWLY WEDS FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

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

	2011 £	2010 £
Amounts owed to group undertakings	—	<u>174,037</u>

20. Commitments under operating leases

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below

	2011		2010	
	Land and buildings	Other Items £	Land and buildings	Other Items £
Operating leases which expire				
Within 1 year	-	83,148	-	71,507
Within 2 to 5 years	342,000	94,225	-	103,027
After more than 5 years	<u>154,435</u>	-	<u>496,435</u>	-
	<u>496,435</u>	<u>177,373</u>	<u>496,435</u>	<u>174,534</u>

21. Pension scheme

The company operates a defined contribution pension scheme. The pension charge for the period represents contributions payable by the company to the scheme and amounted to £212,429 (2010 - £185,662)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year (2010 - £nil)

22 Share capital

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>	<u>20,000,001</u>	<u>20,000,001</u>

On 12 December 2011 a written resolution (such a resolution being passed as a special resolution) to reduce the issued share capital of the Company from £20,000,001 to £5,000,000 by the cancellation of 15,000,001 Ordinary Shares of £1 each in the capital of the Company, was approved by the eligible members pursuant to sections 288 to 300 of the Companies Act 2006

On that date a further resolution was approved by the eligible members to reduce the share premium account from £1,369,856 to £nil

NEWLY WEDS FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

23. Reserves

	Share premium account £	Profit and loss account £
Balance brought forward	1,369,856	1,100,080
Profit for the year	–	7,672,034
Equity dividends	–	(23,393,531)
Reduction in share capital	–	15,000,001
Reduction in share premium	(1,369,856)	1,369,856
Balance carried forward	<u>–</u>	<u>1,748,440</u>

24. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	7,672,034	1,556,245
New equity share capital subscribed	–	1
Premium on new share capital subscribed		1,239,481
Equity dividends	(23,393,531)	–
Net (reduction)/addition to shareholders' funds	(15,721,497)	2,795,727
Opening shareholders' funds	22,469,937	19,674,210
Closing shareholders' funds	<u>6,748,440</u>	<u>22,469,937</u>

25. Ultimate parent company

The immediate parent company of Newly Weds Foods Limited is Newly Weds Foods Acquisition Limited, for which group accounts have been prepared. Copies of the consolidated financial statements may be obtained from Companies House.

The ultimate parent company of Newly Weds Foods Limited is Newly Weds Foods Inc, a company incorporated in the United States of America, whose ultimate controlling party is C Angell.

26. Related party transactions

In accordance with FRS 8 Related Party Disclosures, the company is exempt from disclosing transactions with other group entities which qualify as related parties. As such any related party transactions will be disclosed in the parent company's consolidated financial statements.

The company entered into an operating lease agreement with Angell Realty VIII, a company controlled by C Angell, a director, on 31 December 2010 for the use of the freehold property, this agreement covers the period to 31 December 2015.

In the year ended 31 December 2011, rent was paid to Angell Realty VIII of £370,500.