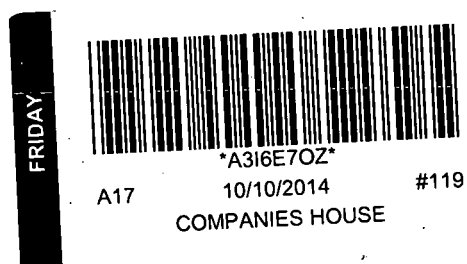


Registered number: 1585686

AarhusKarlshamn UK Limited

Directors' report and financial statements

for the year ended 31 December 2013



AarhusKarlshamn UK Limited

Company Information

Directors

T A Stephenson
D M Craven

Company secretary

D P Taylor

Registered number

1585686

Registered office

King George Dock
Hull
HU9 5PX

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Humber Quays
Wellington Street West
Hull
HU1 2BN

AarhusKarlshamn UK Limited

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**Strategic report
for the year ended 31 December 2013**

Business review

In the year the company made a profit for the financial year of £3,023,000 (2012 profit: £11,175,000) and accordingly £3,023,000 (2012: £11,175,000) has been transferred to reserves.

The Directors continue to mark to market raw material stock internally for risk management purposes in order to control risk and to understand the underlying business performance from an internal management viewpoint. However, as required by SSAP9 and following changes to company law in 2007, the mark to market true and fair override is no longer permitted for statutory reporting purposes. If true and fair override were still permitted, the company would have made a profit of £6,254,000 (2012 profit: £7,636,000). The volatility of commodity prices in 2012 and in 2013 is reflected in the material impact of FRS26 'Financial instruments: Recognition and measurement', as shown in the table below, and is expected to cause further volatility in reported results going forward.

	2013 £'000	2012 £'000
Turnover	279,366	291,983
Cost of sales	<u>(261,233)</u>	<u>(261,542)</u>
Gross profit with stock at marked to market fair value	18,133	30,441
Impact of stock valued at historical cost as required by SSAP 9	<u>5,023</u>	<u>3,739</u>
Gross profit	23,156	34,180
Distribution costs	<u>(9,277)</u>	<u>(8,616)</u>
Administrative expenses excluding exceptional items	<u>(9,125)</u>	<u>(9,012)</u>
Administrative expenses - exceptional items	<u>(245)</u>	<u>(1,358)</u>
	<u>(18,647)</u>	<u>(18,986)</u>
Operating profit	4,509	15,194

2013 has been yet another challenging, but overall satisfactory year. Vegetable oil prices rose then fell rapidly in the second half of the year as global commodities experienced a bear run. Working capital was a particular focus in 2013 and has seen a very good performance in overall cash generation.

The Group's core business of refining of vegetable oils for the food manufacturing, foodservice and bakery sectors continued to provide a diversified range of products. Performance of the core business was as expected despite continued difficult external economic pressures in UK and export markets.

During the year, the restructuring at Hull was completed and associated costs are included in exceptional costs.

AAK Foods performed well in the year, delivering better results than 2012.

The outlook for 2014, given the current global economic position, remains hard to predict. The Group's strategy of a diversified product range is expected to protect the business from the potential risk of a downturn in any specific product market. 2014 will again be a year of continued consolidation and investment in the existing businesses, in the face of increasing UK competition.

Principal risks and uncertainties

Process safety

Inherent in operations are hazards that require continual oversight and control. Failure to manage these risks could result in injury or loss of life, environmental damage and/or loss of production. The company mitigates these risks through stringent adherence to health and safety guidelines.

Environmental factors

If the company does not apply its resources to overcome the perceived trade off between global access to edible oils and the protection or improvement of the natural environment, the company could fail to live up to its aspiration of minimal damage to the environment whilst contributing to human progress.

AarhusKarlshamn UK Limited

Strategic report (continued)

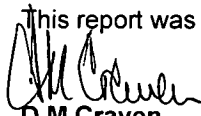
Financial key performance indicators

The key performance indicators that are monitored on a Group wide and regional basis are earnings before interest, return on capital employed and cash flow.

Other key performance indicators

Monthly results are reviewed against budget and significant variances are investigated to give the Board a clear view of the current trading position of the company. Forecasts are updated on a monthly basis to monitor performance against expectation more closely.

This report was approved by the board on 30 April 2014 and signed on its behalf.



D M Craven
Director

AarhusKarlshamn UK Limited

Directors' report for the year ended 31 December 2013

The directors present their report and the audited financial statements for the year ended 31 December 2013.

Principal activities

The principal activity of AarhusKarlshamn UK Limited continued to be that of processing edible vegetable oils.

Results and dividends

The profit for the year, after taxation, amounted to £3,023,000 (2012:£11,175,000).

During the year a dividend of 30,000,000 was paid (2012 - nil). The directors do not recommend the payment of a final dividend.

Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

T A Stephenson
D M Craven

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 prepared 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Charitable and political contributions

The company made charitable contributions amounting to £3,960 (2012: £4,136).

**Directors' report
for the year ended 31 December 2013**

Financial risk management

Liquidity, financial capacity and financial exposure

The company has established a financial framework to ensure that it is able to maintain an appropriate level of liquidity and financial capacity and to constrain the level of assessed capital at risk for the purposes of positions taken in financial instruments. Failure to operate within the set financial framework could lead to financial loss. Commercial credit risk is also measured and controlled to determine the company's total credit risk. Fluctuations in both vegetable oil prices and exchange rates are both managed using the financial framework in place in order to control financial risk from exposure to fluctuations and associated financial loss.

Liabilities and provisions

Changes in the external environment, such as new laws and regulations, market volatility or other factors, could affect the adequacy of provisions for tax, environmental and legal liabilities. The company mitigates this risk by relying on its internal systems and process and through retaining the services of external advisors to highlight such changes to the Board.

Employee involvement

The company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the company plays a major role in maintaining its performance. The company encourages the involvement of employees by means of encouraging training and regular meetings between management and staff in order to provide a common awareness on the part of the staff of the financial and economic circumstances affecting the company's performance.

Disabled employees

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The company gives full and fair consideration to applications for employment of disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the company. If members of staff become disabled the company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Matters covered in the Strategic report

The business review, principal risks and uncertainties and key performance indicators have all been disclosed within the Strategic Report.

Disclosure of information to auditors

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

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

AarhusKarlshamn UK Limited

**Directors' report
for the year ended 31 December 2013**

Independent Auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

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



D M Craven
Director

Date: 30 April 2014

Independent auditors' report to the members of AarhusKarlshamn UK Limited

Report on the company financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by AarhusKarlshamn UK Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). 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 the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' 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.

Opinions on matters prescribed by the Companies Act 2006

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

Independent auditors' report to the members of AarhusKarlshamn UK Limited

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Peter Adams (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Humber Quays
Wellington Street West
Hull
HU1 2BN

30 April 2014

AarhusKarlshamn UK Limited

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

	Note	2013 £000	2012 £000
Turnover	1,2	279,366	291,983
Cost of sales		(256,210)	(257,803)
Gross profit		23,156	34,180
Distribution costs		(9,277)	(8,616)
Administrative expenses before restructuring costs		(9,125)	(9,012)
Restructuring costs		(245)	(1,358)
Administrative expenses		(9,370)	(10,370)
Operating profit	3	4,509	15,194
Interest payable and similar charges	7	(1,158)	(821)
Profit on ordinary activities before taxation		3,351	14,373
Tax on profit on ordinary activities	9	(328)	(3,198)
Profit for the financial year	19	3,023	11,175

All amounts relate to continuing operations.

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

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The notes on pages 10 to 20 form part of these financial statements.

AarhusKarlshamn UK Limited
Registered number: 1585686

Balance sheet
as at 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
Fixed assets					
Goodwill		2,221		2,466	
Negative goodwill		(35)		(40)	
Net goodwill		<u>2,186</u>		<u>2,426</u>	
Intangible assets	10		2,186		2,426
Tangible assets	11		33,028		28,966
Investments	12		5,287		5,287
			<u>40,501</u>		<u>36,679</u>
Current assets					
Stocks	13	30,222		33,784	
Debtors	14	55,080		56,955	
Cash at bank and in hand		452		452	
		<u>85,754</u>		<u>91,191</u>	
Creditors: amounts falling due within one year	15	(55,317)		(58,377)	
Net current assets			<u>30,437</u>		<u>32,814</u>
Total assets less current liabilities			<u>70,938</u>		<u>69,493</u>
Creditors: amounts falling due after more than one year	16		(36,400)		(6,420)
Provisions for liabilities					
Deferred tax	17		(2,383)		(3,941)
Net assets			<u>32,155</u>		<u>59,132</u>
Capital and reserves					
Called up share capital	18		23,600		23,600
Profit and loss account	19		8,555		35,532
Total shareholders' funds	20		<u>32,155</u>		<u>59,132</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


D M Craven
 Director

Date: 30 April 2014

The notes on pages 10 to 20 form part of these financial statements.

**Notes to the financial statements
for the year ended 31 December 2013**

1. Accounting policies

The financial statements have been prepared on the going concern basis, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom on the basis of the following accounting policies which have been applied consistently in dealing with items which are considered material:

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises sales of products and services to third parties at amounts invoiced net of trade discounts excluding taxes on turnover.

Turnover from the sale of products is recognised upon transfer to the customer of the significant risks and rewards of ownership. This is generally upon signing of the goods receipts note, except that sales of inventory located at customers' premises and available for customers' immediate use are recognised when notification is received that the product has been used.

Appropriate provision for returns and trade discounts are deducted from turnover.

1.4 Foreign currencies

Foreign currency monetary assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date, any profits or losses arising being included in the result for the year together with any profits or losses arising from transactions in foreign currencies during the year. Forward currency contracts entered into by the company are recognised at fair value within debtors and creditors as appropriate. Movements in fair value are recognised in the profit and loss account in the year in which they arise.

1.5 Intangible fixed assets and amortisation

Goodwill representing the excess of fair value of the consideration over the fair value of the separable net assets acquired is capitalised and amortised on a straight line basis over its useful economic life up to a maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other years if events or changes in circumstances indicate that the carrying value may not be recoverable.

Any excess of the fair value of the separable net assets acquired over the fair value of consideration (negative goodwill) is shown in intangible assets and amortised over its useful economic life up to 20 years.

Trademarks and other intangibles are initially recorded at cost and amortised on a straight line basis over their estimated useful economic lives.

**Notes to the financial statements
for the year ended 31 December 2013**

1. Accounting policies (continued)

1.6 Investments in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, which includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use, less accumulated depreciation, with the exception of land, which is not depreciated. The following annual depreciation rates, which reflect the expected useful lives of the assets concerned, are applied to the cost of the fixed assets on a straight line basis:

Freehold property	-	20 years
Short-term leasehold property	-	Over the period of the lease
Plant and machinery	-	10 - 15 years
Fixtures and fittings	-	3 - 7 years

1.8 Forward contract position

Company activities involve entering into forward contracts for the purchase and sale of commodities and foreign exchange. The contracted cost of open material and currency forward contracts are compared with the equivalent value of open forward sales contracts or open market value where applicable ('marked to market') with the difference being included within debtors or creditors as appropriate.

Fair valuation of all forward commodity contracts in accordance with FRS 26 is appropriate on the basis that all forward contracts whether for sales or purchases can be settled with the other contracted party on a net cash settlement basis and the company has a practice of settling such contracts net.

1.9 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Finished goods value includes direct cost and an appropriate allocation of overheads. Net realisable value is the estimated selling price less all further costs to be incurred prior to sale.

1.10 Pensions

The company operates non-contributory money purchase pension schemes through life assurance companies which hold fund contributions independent from company finances. Company pension contributions are accounted for on an accruals basis.

Notes to the financial statements
for the year ended 31 December 2013

1. Accounting policies (continued)

1.11 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 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 company's taxable profits and its results as stated in the financial statements.

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

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it can be regarded as more likely than not that future taxable profits will be available against which the unused tax losses can be utilised.

1.12 Leasing and hire purchase

Where leases entail taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

1.13 Operating leases

The rental cost of operating leases is charged against profit on a straight line basis over the period of the lease.

2. Turnover

The whole of the turnover is attributable to the sale of edible oils and related products and services.

A geographical analysis of turnover is as follows:

	2013 £000	2012 £000
United Kingdom	206,720	232,506
Rest of European Union	66,356	55,843
Rest of world	6,290	3,634
	<u>279,366</u>	<u>291,983</u>

**Notes to the financial statements
for the year ended 31 December 2013**

3. Operating profit

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

	2013 £000	2012 £000
Net amortisation - intangible fixed assets	240	240
Depreciation of tangible fixed assets:		
- owned by the company	3,521	3,436
- held under finance leases	170	143
Operating lease rentals:		
- plant and machinery	246	230
- other operating leases	851	841
Result/loss on sale of tangible assets	-	(94)
Net fair value gains on open forward contracts	(210)	(285)

4. Auditors' remuneration

	2013 £000	2012 £000
Fees payable to the company's auditors and its associates for the audit of the company's annual financial statements	57	51
Fees payable to the company's auditors and its associates in respect of:		
Taxation compliance services	8	13
All taxation advisory services not included above	19	23

5. Staff costs

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

	2013 £000	2012 £000
Wages and salaries	15,506	16,471
Social security costs	1,517	1,761
Other pension costs	1,174	1,136
	18,197	19,368

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

	2013 No.	2012 No.
Production	364	379
Sales	63	50
Administration	38	48
	465	477

**Notes to the financial statements
for the year ended 31 December 2013**

6. Directors' remuneration

	2013	2012
	£000	£000
Remuneration	380	408
Company pension contributions to defined contribution pension schemes	155	145

During the year retirement benefits were accruing to 2 directors (2012 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £216,000 (2012 - £225,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £61,000 (2012 - £55,000).

During the year, both directors exercised 5,000 share options (2012 - nil)

7. Interest payable

	2013	2012
	£000	£000
On finance leases and hire purchase contracts	57	71
On loans from group undertakings	1,101	750
	1,158	821

8. Restructuring costs

	2013	2012
	£000	£000
Restructuring	245	1,358

Last year the closure of the manufacturing facility at AAK Bakery Services, in Oldham, was completed and the manufacturing was moved to the Hull site. Associated costs for this were charged as exceptional costs along with the costs of implementing a lean manufacturing restructuring program at the Hull site.

**Notes to the financial statements
for the year ended 31 December 2013**

9. Taxation

	2013 £000	2012 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	1,858	2,188
Adjustments in respect of prior years	28	11
Total current tax	<u>1,886</u>	<u>2,199</u>
Deferred tax		
Origination and reversal of timing differences	(1,033)	1,373
Effect of increased tax rate on opening liability	(347)	(271)
Adjustments in respect of prior years	(178)	(103)
Total deferred tax (see note 17)	<u>(1,558)</u>	<u>999</u>
Tax on profit on ordinary activities	<u><u>328</u></u>	<u><u>3,198</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	<u>3,351</u>	<u>14,373</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	779	3,521
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	65	100
Capital allowances for year in excess of depreciation	(48)	90
Adjustments in respect of prior years	28	11
Short term timing difference leading to an increase/(decrease) in taxation	1,080	(1,505)
Non-taxable income	(18)	(18)
Current tax charge for the year (see note above)	<u><u>1,886</u></u>	<u><u>2,199</u></u>

During the year, as a result of changes in the UK main corporation tax rate to 21% that was substantively enacted on 2 July 2013 and that is effective from 1 April 2014, and to 20% that was also substantively enacted on 2 July 2013 and that will be effective from 1 April 2015, the relevant deferred tax balances have been re-measured.

**Notes to the financial statements
for the year ended 31 December 2013**

10. Intangible fixed assets

	Trademarks £000	Goodwill £000	Negative goodwill £000	Total £000
Cost				
At 1 January 2013 and 31 December 2013	363	4,896	(888)	4,371
Accumulated Amortisation				
At 1 January 2013	363	2,430	(848)	1,945
Charge for the year	-	245	(5)	240
At 31 December 2013	363	2,675	(853)	2,185
Net book value				
At 31 December 2013	-	2,221	(35)	2,186
At 31 December 2012	-	2,466	(40)	2,426

11. Tangible fixed assets

	Freehold property £000	Short-term leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost					
At 1 January 2013	3,870	8,389	104,560	6,961	123,780
Additions	159	1,580	4,878	1,231	7,848
Disposals	-	-	(182)	-	(182)
At 31 December 2013	4,029	9,969	109,256	8,192	131,446
Accumulated Depreciation					
At 1 January 2013	223	7,943	81,419	5,229	94,814
Charge for the year	43	207	3,092	349	3,691
On disposals	-	-	(87)	-	(87)
At 31 December 2013	266	8,150	84,424	5,578	98,418
Net book value					
At 31 December 2013	3,763	1,819	24,832	2,614	33,028
At 31 December 2012	3,647	446	23,141	1,732	28,966

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

	2013 £000	2012 £000
Plant and machinery	701	636

AarhusKarlshamn UK Limited

Notes to the financial statements for the year ended 31 December 2013

12. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2013 and 31 December 2013	5,287
Net book value	
At 31 December 2013	5,287
At 31 December 2012	5,287

Subsidiary undertakings

The following companies were subsidiary undertakings of the company at 31 December 2013. All are registered in England and Wales.

Name	Class of shares	Holding
Rowallan Creamery Limited	Ordinary £1	100 %
Allied Foods Limited	Ordinary £1	100 %
Midsummer Foods Limited	Ordinary £1	100 %
Nutritionelle Limited	Ordinary £1	100 %
Book&Claim Limited	Ordinary £1	100 %

The aggregate of the share capital and reserves as at 31 December 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Rowallan Creamery Limited	4,805	-
Allied Foods Limited	5,681	-
Nutritionelle Limited	10	-
Book&Claim Limited	4,290	1,452

Midsummer Foods Limited had aggregate share capital and reserves of £2 and no profit or loss in the period. The Directors believe that the carrying value of the investments is supported by their underlying net assets.

13. Stocks

	2013 £000	2012 £000
Raw materials	22,274	24,766
Work in progress	232	203
Finished goods and goods for resale	7,716	8,815
	<u>30,222</u>	<u>33,784</u>

AarhusKarlshamn UK Limited

**Notes to the financial statements
for the year ended 31 December 2013**

14. Debtors

	2013 £000	2012 £000
Trade debtors	34,881	35,079
Amounts owed by group undertakings	4,194	6,092
Amounts owed by group companies under forward contracts	2,498	-
Forward contract position	4,802	10,492
Other debtors	8,705	5,292
	<u>55,080</u>	<u>56,955</u>

Amounts owed by fellow group companies are interest free and repayable on demand.

**15. Creditors:
Amounts falling due within one year**

	2013 £000	2012 £000
Net obligations under finance leases and hire purchase contracts	456	319
Trade creditors	20,442	13,810
Amounts owed to group undertakings	11,244	22,264
Corporation tax	580	753
Amounts owed by group undertakings under forward contracts	5,779	-
Forward contract position	737	4,779
Accruals and deferred income	16,079	16,452
	<u>55,317</u>	<u>58,377</u>

Amounts owed to fellow group companies are interest free and repayable on demand.

**16. Creditors:
Amounts falling due after more than one year**

	2013 £000	2012 £000
Net obligations under finance leases and hire purchase contracts	299	319
Amounts owed to group undertakings	36,101	6,101
	<u>36,400</u>	<u>6,420</u>

Loans are not secured by way of charges over group assets. Interest is charged at variable rates.

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

	2013 £000	2012 £000
Between one and five years	<u>299</u>	<u>319</u>

AarhusKarlshamn UK Limited

**Notes to the financial statements
for the year ended 31 December 2013**

17. Deferred taxation

	2013 £000	2012 £000
At beginning of year	3,941	2,943
(Released during)/charge for year (P&L)	(1,558)	998
At end of year	<u>2,383</u>	<u>3,941</u>

The provision for deferred taxation is made up as follows:

	2013 £000	2012 £000
Accelerated capital allowances	2,265	3,271
Other timing differences	118	670
	<u>2,383</u>	<u>3,941</u>

18. Share capital

	2013 £000	2012 £000
Allotted, called up and fully paid		
23,600,000 (2012: 23,600,00) Ordinary shares of £1 each	<u>23,600</u>	<u>23,600</u>

19. Reserves

	Profit and loss account £000
At 1 January 2013	35,532
Profit for the financial year	3,023
Dividends: Equity capital	(30,000)
At 31 December 2013	<u>8,555</u>

20. Reconciliation of movements in shareholders' funds

	2013 £000	2012 £000
Opening shareholders' funds	59,132	47,957
Profit for the financial year	3,023	11,175
Dividends (Note 21)	(30,000)	-
Closing shareholders' funds	<u>32,155</u>	<u>59,132</u>

AarhusKarlshamn UK Limited

Notes to the financial statements for the year ended 31 December 2013

21. Dividends

	2013 £000	2012 £000
Dividends paid on equity capital	<u>30,000</u>	<u>-</u>

22. Capital commitments

Capital commitments at 31 December 2013, for which no provision has been made in these financial statements were as follows:

	2013 £000	2012 £000
Contracted for but not provided in these financial statements	<u>171</u>	<u>2,127</u>

23. Operating lease commitments

The company was committed at 31 December 2013 to the following payments within the next year in respect of operating leases analysed by the date of expiry of lease.

	Land and buildings		Other	
	2013 £000	2012 £000	2013 £000	2012 £000
Expiry date:				
Within 1 year	582	446	257	246
After more than 5 years	<u>405</u>	<u>405</u>	<u>-</u>	<u>-</u>

24. Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', not to disclose related party transactions with fellow Group Companies. The exemption is available as its financial information is included in the consolidated financial statements of the ultimate parent company, AarhusKarlshamn AB, a company incorporated in Sweden.

25. Ultimate parent undertaking and controlling party

The smallest and largest higher group of undertakings for which Group financial statements are drawn up and of which the Company is a member is AarhusKarlshamn AB, a company incorporated in Sweden, the address of which is AarhusKarlshamn AB, Skeppsgatan 19, SE-211 19 Malmö, Sweden. The company's ultimate controlling party is AarhusKarlshamn AB.