

Fresh-Pak Chilled Foods Limited

**Directors' report and financial
statements**

Registered number 01616444

For the period ended 2 January 2016

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Company information

Directors

K Carolan (Resigned 23 March 2016)
KN Foreman
T Moy
J Murphy (Resigned 23 March 2016)
RMA Patrick

Secretary

RMA Patrick.

Registered office

Waterside Park
Valley Way
Wombwell
Barnsley
South Yorkshire
S73 0BB

Auditor

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Directors' report

The directors present their report and the financial statements for the period ended 2 January 2016.

The Principal Activities, the Performance and Developments during the year, the Future Prospects, The Principal Risks and Uncertainties and the Key Performance Indicators are discussed in detail in the Strategic Report.

Results and dividends

The profit for the period after taxation is £4,140,000 (2014: £2,736,000). Dividends of £81,000 were declared and paid during the period (2014: £223,000).

Directors

The directors who served during the period were:

K Carolan
KN Foreman
T Moy
J Murphy
RMA Pattrick

The company has taken out insurance to indemnify, against third party proceedings, the directors of the company whilst serving on the board of the company and of any subsidiary, associate or joint venture. These indemnity policies existed throughout the period and remain in place at the date of this report.

None of the directors had an interest in the share capital of the company as at 2 January 2016. The interests of the directors in Jaguar Capital Asset Management Ltd, which was the ultimate parent company until 23 March 2016, are shown in those accounts.

Employees

It is the policy of the Company to provide disabled persons, within the limitation of their abilities, with the same opportunities for training and promotion as are available to other employees.

The company encourages communication between employees and keeps all employees informed of matters affecting them. Regular meetings are held between employees and senior management to encourage the development of new ideas and to enable an open exchange of views when decisions are made which affect employees' interests.

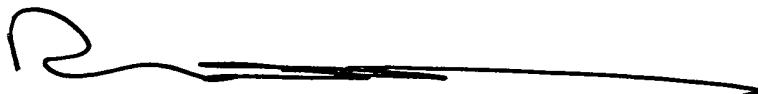
Disclosure of information to auditor

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

Auditor

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

This report was approved by the board on 8 August 2016 and signed on its behalf.



RMA Pattrick
Director

Waterside Park
Valley Way
Wombwell
Barnsley
S73 0BB

Strategic report

Business model

The company creates, prepares, and sells chilled food products to major retailers and the food service industry in the United Kingdom and Europe. The company employs skilled and enthusiastic people to create and prepare, from high quality ingredients, food products that are convenient to use, wholesome, and great to eat. We aim to delight our consumers by providing high quality, innovative convenience food products that are "as good as homemade" and offer good value for money.

Development and Performance during the year

The company's key financial and other performance indicators during the period were as follows:

	52 weeks 2015 £'000	53 weeks 2014 £'000
Turnover	64,414	68,659
EBITDA	5,935	4,473
Net funds/(debt)	4,803	3,277

The company achieved a strong performance in the year, driven by a resolute focus on the management and control of costs.

Position at year end and prospects

The substantial investment in an efficient manufacturing base together with no debt has placed the company in a strong position

The company has retained its focus on product quality, development, and food provenance in what continues to be a very competitive and exceptionally price sensitive market. The company remains confident that in spite of the continuing pressure on industry margins, its strategy of strong and uncompromised technical standards combined with competitive manufacturing costs will place it in a favourable position in the year ahead.

Principal risks and uncertainties

Economic and market risk

In common with the food industry generally, the company's costs and revenues are subject to the effect of fluctuations in input prices, changes in consumer trends and the competitive environment. Exposure to raw material price fluctuations is managed by a central procurement function, agreeing forward prices where appropriate. Commodity prices could continue to rise and the Company would seek to pass on costs, where possible, to its customers through price rises. However, constraints in achieving this could affect the Company's results. The Company seeks to manage changes in consumer trends through portfolio changes and new product innovation.

Operational continuity risk

A major incident, for example a fire, could present significant operational difficulties. The company has plans to manage the impact of such an event and has insurance programmes to mitigate the financial consequences.

Strategic report *(continued)*

Food safety risk

The quality and safety of our products is of the utmost importance. There is an associated risk if they are below standard. The company has strict controls in place and regularly reviews health and safety policies.

Credit risk

The company provides goods and services to well-established customers and consequently credit risk is intrinsically low, as is reflected in a generally low incidence of bad debt write-offs. The company manages this risk by normal credit control processes but to further reduce this risk the company has, during the year, maintained credit insurance on certain key customers.

The credit risk associated with trade creditors is managed by maintaining a list of alternative suppliers to ensure that the risk of interrupted supply is minimised.

Financing and liquidity risk

The company aims to mitigate liquidity risk by the close management of cash generation and utilisation by the business.

Foreign exchange risk

The company's policy is to reduce exposure to movements in foreign exchange rates on external cash flows. Where there is a forward commitment to purchase goods denominated in a currency other than Sterling then forward foreign contracts are taken out to provide partial protection against future movement in foreign exchange rates.

This report was approved by the board on 8 August 2016 and signed on its behalf.



RMA Pattrick
Director

Waterside Park
Valley Way
Wombwell
Barnsley
S73 0BB

Statement of directors' responsibilities in respect of the Directors' Report, the Strategic Report and the financial statements

The directors are responsible for preparing the Directors' Report, the Strategic 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 each of the group and parent financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Independent auditor's report to the members of Fresh-Pak Chilled Foods Limited

We have audited the financial statements of Fresh-Pak Chilled Foods Limited for the period ended 2 January 2016 set out on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 January 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Fresh-Pak Chilled Foods Limited *(continued)*

Matters on which we are required to report by exception

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

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



Chris Hearld (Senior Statutory Auditor)

For and on behalf of
KPMG LLP
Statutory Auditor

Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

16 August 2016

Profit and loss account
for the period ended 2 January 2016

	<i>Note</i>	For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
Turnover	<i>1,2</i>	64,414	68,659
Cost of sales		(52,596)	(58,987)
Gross profit		11,818	9,672
Selling and distribution costs		(4,010)	(3,948)
Administrative expenses		(2,684)	(2,285)
Operating profit	<i>3</i>	5,124	3,439
Interest receivable and similar income		26	25
Interest payable and similar charges	<i>6</i>	(11)	(20)
Profit on ordinary activities before taxation		5,139	3,444
Tax on profit on ordinary activities	<i>7</i>	(999)	(708)
Profit on ordinary activities after taxation		4,140	2,736

All amounts relate to continuing operations.

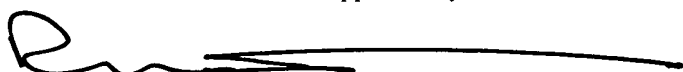
There was no other comprehensive income for 2015 or 2014 other than that included in the profit and loss account.

The notes on pages 12 to 21 form part of these financial statements.

Balance sheet
At 2 January 2016

	<i>Note</i>	As at 2 January 2016		As at 3 January 2015	
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	8		4,441		4,551
Fixed asset investments	9		270		270
			<hr/>		<hr/>
			4,711		4,821
Current assets					
Stocks	10	1,310		1,549	
Debtors	11	19,269		15,610	
Cash at bank		4,803		3,277	
		<hr/>		<hr/>	
		25,382		20,436	
Creditors: amounts falling due within one year	12	(10,721)		(9,883)	
		<hr/>		<hr/>	
Net current assets			14,661		10,553
			<hr/>		<hr/>
Total assets less current liabilities			19,372		15,374
Provision for liabilities	13	(1,125)		(1,186)	
		<hr/>		<hr/>	
Net assets			18,247		14,188
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	14	2,864		2,864	
Share premium account		131		131	
Other reserve		35		35	
Profit and loss account		15,217		11,158	
		<hr/>		<hr/>	
Shareholders' funds			18,247		14,188
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 8 August 2016 and were signed on its behalf by:



RMA Pattrick
Director

The notes on pages 12 to 21 form part of these financial statements.

Statement of Changes in Equity
for the period ended 2 January 2016

	Called-up Share Capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total Capital and Reserves £000
At 29 December 2013	2,864	131	35	8,645	11,675
Profit for the period	-	-	-	2,736	2,736
Dividends paid	-	-	-	(223)	(223)
At 3 January 2015	2,864	131	35	11,158	14,188

	Called-up Share Capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total Capital and Reserves £000
At 3 January 2015	2,864	131	35	11,158	14,188
Profit for the period	-	-	-	4,140	4,140
Dividends paid	-	-	-	(81)	(81)
At 2 January 2016	2,864	131	35	15,217	18,247

The notes on pages 12 to 21 form part of these financial statements.

Cash flow statement

At 2 January 2016

	<i>Note</i>	For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
Net cash inflow from operating activities	16	5,801	4,002
Capital expenditure and financial investments			
Acquisition of tangible fixed assets		(612)	(1,257)
Proceeds from sale of tangible fixed assets		-	865
Interest receivable		15	5
		(597)	(387)
Net cash inflow before management of liquid funds and financing		5,204	3,615
Cash flows from financing activities			
Net funding paid to parent undertaking		(3,597)	(497)
Dividends paid		(81)	(223)
Net cash (outflow) from financing activities		(3,678)	(720)
Increase in cash		1,526	2,895

Reconciliation of net cash flow to movement in net debt

		For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
Increase in cash		1,526	2,895
Net funds at 3 January 2015		3,277	382
Net funds at 2 January 2016	16	4,803	3,277

The notes on pages 12 to 21 form part of these financial statements.

Notes to the financial statements (forming part of the financial statements)

1 Accounting policies

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 3 to 4.

The company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of preparation

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

The company is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking and not about its group. Information in respect of Deli Fresh Chilled Foods Limited, the company's subsidiary undertaking, is included in Note 9 to the accounts.

These financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

Lease incentives – for leases commenced before 29 December 2013 the Company continued to account for lease incentives under previous UK GAAP.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Turnover

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

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost.

Tangible fixed assets and depreciation

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

Long term leasehold property	-	over 10 to 25 years
Plant and machinery	-	over 5 to 11 years
Motor vehicles	-	25% reducing balance

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Stocks

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

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Notes (continued)

2 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the period.

Turnover is attributable to one continuing activity, the manufacture of convenience chilled food products.

An analysis of turnover by geographical market is as follows:

	For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
United Kingdom	64,327	68,539
Ireland	87	120
	<u>64,414</u>	<u>68,659</u>

3 Operating profit

The operating profit is stated after charging:

	For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
Depreciation of tangible fixed assets - owned by the company	811	1,034
Auditor remuneration		
- Audit of these financial statements	20	20
- Taxation compliance services	5	5
- Corporate finance services	15	-
Operating lease rentals – land and buildings	525	535
Operating lease rentals – plant and machinery	351	402
	<u> </u>	<u> </u>

4 Staff costs

Staff costs were as follows:

	For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
Wages and salaries	9,384	8,853
Social security costs	783	730
Other pension costs	114	115
	<u>10,281</u>	<u>9,698</u>

Notes (continued)

4 Staff costs (cont)

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

	For the period ended 2 January 2016 No of employees	For the period ended 3 January 2015 No of employees
Production staff	369	362
Sales and distribution staff	6	5
Administration staff	95	91
	<u>470</u>	<u>458</u>

Pensions contributions outstanding at the period end amount to £nil (2014: £nil).

5 Directors' remuneration

	For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
Emoluments	827	673
	<u>827</u>	<u>673</u>
Company pension contributions to money purchase pension schemes	47	42
	<u>47</u>	<u>42</u>

During the period retirement benefits were accruing to 3 directors (2014: 3) in respect of money purchase pension schemes.

The amounts in respect of the highest paid director were as follows:

	For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
Emoluments	386	304
	<u>386</u>	<u>304</u>
Pension contributions	16	12
	<u>16</u>	<u>12</u>

6 Interest payable and similar charges

	For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
Bank loans and overdrafts	11	20
	<u>11</u>	<u>20</u>

Notes (continued)

7 Tax on profit on ordinary activities

	For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
<i>UK corporation tax</i>		
Current tax on profit/(loss) for the period	838	292
Net payment for Group Relief	222	510
	<hr/>	<hr/>
Total current tax	1,060	802
<i>Deferred tax</i>		
Origination and reversal of timing differences		
- previous year	2	-
- current year	(4)	(5)
- adjustment for change of rate	(59)	(89)
	<hr/>	<hr/>
	999	708
	<hr/>	<hr/>

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax (20.25%) in the UK (average 21.49% during 2014). The differences are explained below:

	For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
Profit on ordinary activities before tax	5,139	3,444
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.49%)	1,041	740
<i>Effects of:</i>		
Expenses not deductible for tax purposes	7	13
Capital allowances	10	44
Effect of change of tax rate	(59)	(89)
	<hr/>	<hr/>
Total tax charge for the period (see note above)	999	708
	<hr/>	<hr/>

Notes (continued)

7 Taxation (continued)

Deferred taxation

Deferred tax provided is as follows:

	For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
Liability at start of the period	586	680
Current period	(61)	(94)
	<hr/>	<hr/>
Liability at end of the period	525	586
	<hr/>	<hr/>

The deferred tax liability comprises:

	For the period ended 2 January 2016 £000	For the period ended 3 January 2015 £000
Accelerated capital allowances	525	586
	<hr/>	<hr/>
Total (note 13)	525	586
	<hr/>	<hr/>

Factors affecting the tax charge for future periods

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

The 2016 Budget on 16 March 2016 announced that the UK corporation tax rate will reduce to 17% by 2020. These changes will reduce the company's future current tax charge accordingly.

The deferred tax balance at 2 January 2016 has been calculated with reference to future tax rates and the date that items are expected to unwind.

Notes (continued)

8 Tangible fixed assets

	Leasehold land and buildings £000	Plant and Machinery £000	Total £000
Cost			
At 3 January 2015	4,282	12,544	16,826
Additions	-	701	701
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 2 January 2016	4,282	13,245	17,527
	<hr/>	<hr/>	<hr/>
Depreciation			
At 3 January 2015	2,035	10,240	12,275
Charge for the period	214	597	811
On Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 2 January 2016	2,249	10,837	13,086
	<hr/>	<hr/>	<hr/>
Net book value			
At 2 January 2016	2,033	2,408	4,441
	<hr/>	<hr/>	<hr/>
At 3 January 2015	2,247	2,304	4,551
	<hr/>	<hr/>	<hr/>

9 Fixed asset investments

	Shares in group companies £000
Cost	
As at 3 January 2015 and 2 January 2016	550
	<hr/>
Amount provided	
As at 3 January 2015 and 2 January 2016	280
	<hr/>
Carrying value	
As at 3 January 2015 and 2 January 2016	270
	<hr/>

Under the provisions of section 400 of the Companies Act 2006 the company is exempt from preparing consolidated accounts. Therefore the accounts show information about the company as an individual entity.

The company holds 100% of the issued ordinary share capital of Deli Fresh Chilled Foods Limited, which is incorporated in England, and does not currently trade.

Notes (continued)

10 Stocks

	As at 2 January 2016	As at 3 January 2015
	£000	£000
Raw material	1,073	1,302
Finished goods and goods for resale	237	247
	<u>1,310</u>	<u>1,549</u>

11 Debtors

	As at 2 January 2016	As at 3 January 2015
	£000	£000
Trade debtors	7,072	7,588
Amounts owed by group undertakings	11,523	7,354
Other debtors	281	275
Prepayments and accrued income	393	393
	<u>19,269</u>	<u>15,610</u>

12 Creditors: amounts falling due within one year

	As at 2 January 2016	As at 3 January 2015
	£000	£000
Trade creditors	6,111	5,770
Amounts owed to group undertakings	350	350
Corporation Tax	743	292
Social security and other taxes	221	204
Other creditors	122	102
Accruals and deferred income	3,174	3,165
	<u>10,721</u>	<u>9,883</u>

13 Provisions

	Property provisions	Deferred Tax	Total
	£000	£000	£000
At 3 January 2015	600	586	1,186
Utilised during the period	-	(61)	(61)
At 2 January 2016	<u>600</u>	<u>525</u>	<u>1,125</u>

Property provisions comprise net future rents payable on onerous property leases and provision for terminal dilapidations. The majority of the provision is expected to be utilised over the remaining 27 years of the main lease provided for.

Notes (continued)

14 Called up equity share capital

	As at 2 January 2016 £000	As at 3 January 2015 £000
<i>Allotted, called up and fully paid</i>		
2,864,473 Ordinary shares of £1 each	2,864	2,864
	<u> </u>	<u> </u>

15 Commitments

a) Capital commitments at the end of the financial period for which no provision has been made, are as follows:

	As at 2 January 2016 £000	As at 3 January 2015 £000
Contracted	210	-
	<u> </u>	<u> </u>

b) Non-cancellable operating lease rentals are payable as follows:

	As at 2 January 2016 £000	As at 3 January 2015 £000
Less than one year	683	698
In the second to fifth years inclusive	2,384	2,436
Over five years	2,585	3,122
	<u> </u>	<u> </u>
	5,652	6,256
	<u> </u>	<u> </u>

Notes (continued)

16 Notes to cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	As at 2 January 2016 £000	As at 3 January 2015 £000
Operating Profit	5,124	3,439
Profit from sale of tangible fixed assets	-	(6)
Depreciation of tangible fixed assets	811	1,034
(Increase)/Decrease in trade and other debtors	510	(1,272)
(Increase)/Decrease in stock	239	(365)
Increase in trade and other creditors	298	1,260
Increase in amounts owed by group undertakings	(276)	(8)
(Decrease) in provisions	-	(80)
Corporation taxes paid	(905)	-
Net cash inflow from operating activities	<u>5,801</u>	<u>4,002</u>

(b) Analysis of net debt

	As at 3 January 2015 £000	Cash Flow £000	As at 2 January 2016 £000
Cash at bank and in hand	3,277	1,526	4,803
Loans	-	-	-
	<u>3,277</u>	<u>1,526</u>	<u>4,803</u>

17 Related party transactions

The company has taken advantage of the exemption from disclosing transactions with related parties that are part of the Chilled Foods (UK) Ltd group of companies.

The only other related party transactions are payments to directors under their service contracts. They are disclosed in the director's emoluments note. (Note 5).

18 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Chilled Foods (UK) Ltd and the company's ultimate parent undertaking until 23 March 2016 was Jaguar Capital Asset Management Limited. Chilled Foods (UK) Ltd is registered in England and Jaguar Capital Asset Management Limited in Ireland.

Since 23 March 2016, the Company's ultimate parent company and controlling entity is a private equity investment fund advised by an affiliate of Sun Capital Partners, Inc.