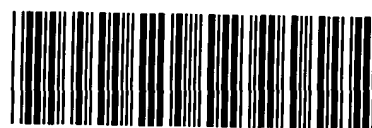

H. J. Heinz Frozen & Chilled Foods Limited

**Annual report and financial statements
for the 52-week period ended
28 December 2014**

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H. J. Heinz Frozen & Chilled Foods Limited

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H. J. Heinz Frozen & Chilled Foods Limited

General company information

Immediate parent company

H. J. Heinz Manufacturing UK Limited
South Building
Hayes Park
Hayes
Middlesex
UB4 8AL

Ultimate parent company

The Kraft Heinz Company
PO Box 57
Pittsburgh
Pennsylvania 15230-0057
United States of America

Company secretary and registered office

Nargis Hassani
South Building
Hayes Park
Hayes
Middlesex
UB4 8AL

Registered Number 2207650

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium
1 Harefield Road
Uxbridge
Middlesex
UB8 1EX

H. J. Heinz Frozen & Chilled Foods Limited

Registered number 2207650

STRATEGIC REPORT for the 52-week period ended 28 December 2014

The directors present their strategic report on the company for the 52-week period ended 28 December 2014. The prior year report and financial statements were prepared for the 35-week period ended 29 December 2013.

Business review

The company made a loss for the 52-week period ended 28 December 2014 of £18.1m (35 weeks to 29 December 2013: loss £3.7m). Net liabilities as at 28 December 2014 amounted to £16.5m (29 December 2013: net assets £1.6m).

On 29 April 2013, as part of the Heinz UK group restructuring, the company's selling activities and relevant assets and liabilities were transferred to H. J. Heinz Foods UK Limited. As part of the same restructuring the company transferred the 2000 defined benefit pension plan to H.J. Heinz Manufacturing UK Limited on 29 April 2013.

On 19 December 2014 it was announced that, following the decision by the William Jackson Food Group, owner of the Aunt Bessie's brand, not to renew the license for Heinz to manufacture its frozen potato products, the Westwick manufacturing site would close. Manufacturing at the site would continue up to the end of the Aunt Bessie's licence at the end of April 2015. It is expected that all operating activities of the company will cease in 2015.

The company incurred exceptional costs of £29.5m during the current period. These relate to tangible assets impairment loss and other restructuring charges with respect to the closure of the Westwick site.

Key performance indicators

	52-week to 28 December 2014	35-week to 29 December 2013	Definition, method of calculation and analysis
Movement in sales (%)	84.7%	(63.1)%	These figures represent the period on period sales increase/(decrease) as a percentage. Sales development was in line with the directors' expectation.
Gross Margin/ (Loss) (%)	19.0%	(13.9)%	Gross margin/(loss) is the ratio of gross profit/(loss) to turnover expressed as a percentage. The loss to December 2013 reflects the change in the business model and also an unfavourable development of costs of some of the key ingredients.

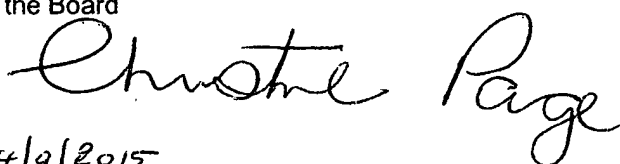
The principal risk and uncertainties of the company relate to the management of manufacturing costs which include the costs of potatoes. Directors manage this risk and uncertainties through regular review of the performance of the business and through continuous communication with the key suppliers.

In 2013, all subsidiaries of The Kraft Heinz Company (formerly known as H.J. Heinz Holding Corporation) incorporated in the UK, changed their a 52-week financial year end from the last Sunday of April to the last Sunday of December. The preceding financial period has been shortened to 35 weeks from 29 April 2013 to 29 December 2013. This is in order to achieve coterminous year ends across all group companies including Berkshire Hathaway Inc. and 3G Special situations Fund III.

On behalf of the Board

C. Page
Director

Date: 24/9/2015



H. J. Heinz Frozen & Chilled Foods Limited

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the company for the 52 week period ended 28 December 2014. The prior year financial statements were prepared for the 35 week period ended 29 December 2013.

Principal activities

The company's principal activity is the manufacturing of processed food products.

Future Developments

On the 19th December 2014 it was announced that, following the decision by the William Jackson Food Group, owner of the Aunt Bessie's brand, not to renew the license for Heinz to manufacture its frozen potato products, the Westwick manufacturing site would close. Manufacturing at the site will continue up to the end of the Aunt Bessie's licence at the end of April 2015.

It is expected that all operating activities of the Company will cease in 2015.

Dividends

No dividends were paid in the period. The Directors do not recommend the payment of a dividend (35 weeks to 29 December 2013: Nil).

Financial risk management

The company's operations expose it to a variety of financial risks including liquidity risk and cash flow interest rate risk. The company has in place risk management processes that seek to limit the adverse effects on its financial performance by monitoring levels of debt, liquidity and exchange rate risk and the related financial costs.

The H. J. Heinz Group has a centralised group treasury department that manages the principal risks on a group basis rather than on a statutory entity basis.

Funding for the company is through inter-company arrangements.

Liquidity risk

The company maintains a debt profile including where appropriate short term debt finance designed to ensure the company has sufficient funds for its operation.

Cash flow interest rate risk

The company has interest bearing liabilities which are managed by the centralised treasury department on a group basis rather than on a statutory entity basis.

Directors

The members of the board of directors during the period and up to the date of signing the financial statements were as follows:

P. Jones (resigned 31 October 2014)
M. Brown (resigned 28 November 2014)
C. Page
J. Favre (appointed 17 November 2014)

Directors' Indemnity

The directors have the benefit of a third party indemnity provision as defined by Section 234 of the Companies Act 2006. This provision was in force throughout the current financial period and is currently in force. Directors' and officers' liability insurance in respect of the company and its directors has been maintained throughout the financial period.

H. J. Heinz Frozen & Chilled Foods Limited

Directors' report (continued)

Going concern

The directors are of the opinion that the company remains a going concern due to the financial support from H. J. Heinz Manufacturing UK Limited.

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office and are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Post balance sheet events

The company ceased manufacturing on 30 April 2015 with all employees being made redundant through severance. The tangible assets and engineering stock were sold to a third party on May 15th 2015.

On 2 July 2015, H. J. Heinz Holding Corporation, the Company's ultimate parent undertaking at that time, completed a merger with the Kraft Foods Group, Inc. to form a new company, The Kraft Heinz Company. On the same date, Kraft Foods Group, Inc. common shares ceased trading on the NASDAQ. The Kraft Heinz Company common shares started trading on NASDAQ on 6 July 2015.

Statement of Directors' Responsibilities

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 period. 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.

Directors' report (continued)

Disclosure of information to auditors

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


- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the Board


C. Page
Director

Date: 24/9/2015



Independent auditors' report to the members of H. J. Heinz Frozen & Chilled Foods Limited

Report on the financial statements

Our opinion

In our opinion, H. J. Heinz Frozen & Chilled Foods Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 28 December 2014 and of its loss for the 52 week period (the "period") then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements comprise:

- the Balance sheet as at 28 December 2014;
- the Profit and loss account for the period 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 the preparation of the financial statements is 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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 to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of H. J. Heinz Frozen & Chilled Foods Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities 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) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements 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.



Charles van den Arend (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

24/9/2015

H. J. Heinz Frozen & Chilled Foods Limited

Profit and loss account

For 52-week period ended 28 December 2014

	Note	52-week to 28 December 2014 £m	35-week to 29 December 2013 £m
Turnover	2a	50.6	27.4
Cost of sales		<u>(41.0)</u>	<u>(31.2)</u>
Gross profit/(loss)		<u>9.6</u>	<u>(3.8)</u>
Administrative expenses	2b	<u>(1.3)</u>	<u>(1.4)</u>
Operating profit/(loss)		8.3	(5.2)
Exceptional items	2c	(29.5)	-
Interest payable and similar charges	3	<u>(0.6)</u>	<u>(0.4)</u>
Loss on ordinary activities before taxation		<u>(21.8)</u>	<u>(5.6)</u>
Tax on loss on ordinary activities	5	<u>3.7</u>	<u>1.9</u>
Loss for the financial period	13	<u><u>(18.1)</u></u>	<u><u>(3.7)</u></u>

All results derive from continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the loss on ordinary activities before taxation and the (loss)/profit for the financial period stated above and their historical cost equivalents.

H. J. Heinz Frozen & Chilled Foods Limited

Balance sheet as at 28 December 2014

	Note	As at 28 December 2014 £m	As at 29 December 2013 £m
Fixed assets			
Tangible assets	7	1.4	21.5
Current assets			
Stocks	6	0.8	1.8
Debtors	9	34.3	36.7
Cash at bank and in hand		12.9	1.2
		<u>48.0</u>	<u>39.7</u>
Creditors: amounts falling due within one year	10	(56.1)	(58.9)
Provisions	11b	(9.8)	-
Net current liabilities		<u>(17.9)</u>	<u>(19.2)</u>
Total assets less current liabilities		<u>(16.5)</u>	<u>2.3</u>
Provisions for liabilities	11b	-	(0.9)
Net liabilities		<u>(16.5)</u>	<u>1.4</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	(16.5)	1.6
Total shareholders' (deficit)/funds	14	<u>(16.5)</u>	<u>1.6</u>

The notes on pages 11 to 21 are an integral part of these financial statements.

The financial statements on pages 9 to 21 were approved by the Board of directors on 24/12/2015 and signed on its behalf by:

C. Page
Director

Date: 24/12/2015



H. J. Heinz Frozen & Chilled Foods Limited

Notes to the financial statements for the 52-week period ended 28 December 2014

1. Statement of accounting policies

- a) These financial statements have been prepared on the going concern basis, based on financial support from H. J. Heinz Manufacturing UK Limited, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, are set out below.
- b) H.J. Heinz Holding Corporation, incorporated in the USA, was the Company's ultimate parent undertaking and the controlling party up until the post balance sheet event disclosed (note 18). The Kraft Heinz Company, incorporated in the USA, is now the ultimate parent undertaking and controlling party of the company. The Company's result is included in the consolidated financial statements of H.J. Heinz Holding Corporation that is the highest entity where financial statements are publicly available. H.J. Heinz Holding Corporation has since changed its name to The Kraft Heinz Company after the period end. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996) "Cash Flow Statement".
- c) All subsidiaries of the ultimate parent The Kraft Heinz Company (formerly H.J. Heinz Holding Corporation), 3G Special Situation Fund III LP and Berkshire Hathaway Inc. are considered to be related parties. The Company has taken advantage of the exemptions conferred by FRS 8, "Related Party Disclosures" paragraph 3c not to make disclosures concerning transactions that are part of H.J. Heinz Holding Corporation which is incorporated in the USA, whose financial statements are publicly available. H.J. Heinz Holding Corporation has since changed its name to The Kraft Heinz Company after the period end.
- d) Stocks are stated at the lower of cost and net realisable value. Net realisable value is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation. Cost in the case of raw materials is determined on a first-in, first-out basis. Provisions are made to cover obsolete, slow moving and defective stocks.
- e) Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Expenditures for new facilities and improvements that substantially extend the capacity or useful life of an asset are capitalized and held as construction in progress with depreciation only being calculated when the asset is brought into use and held as either land and buildings, equipment and automotive. Depreciation is calculated so as to write off the cost of tangible assets on a straight-line basis over the expected useful economic lives less residual value of the assets concerned. When there is evidence that the net book value may exceed the value in use an evaluation is carried out to determine any excess. Any excess identified by the evaluation is then written off through the profit and loss as depreciation. The principal lives of assets used for calculating the straight-line depreciation are as follows -
- | | | |
|---------------------------|------------------------|-----------------|
| | | <u>Years</u> |
| Land and buildings | Freehold land | Not depreciated |
| | Industrial buildings | 40-75 |
| Equipment and automotive | Furniture and fittings | 10 |
| | Motor vehicles | 5 |
| | Plant and machinery | 5-30 |
| Assets under construction | | Not depreciated |
- f) Turnover consists of sales to the Heinz European Supply Chain and excludes value added tax. Turnover is recognised when persuasive evidence of an arrangement exists, delivery of goods to customer has occurred, the selling price to the buyer is determinable and payment is reasonably assured.
- g) Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are converted to sterling at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account in the period in which they arise.

**Notes to the financial statements for the 52-week period ended 28 December 2014
(continued)**

1. Statement of accounting policies (continued)

- h) Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.
- i) Expenditure on research and development is written off to the profit and loss account as incurred.
- j) 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.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

H. J. Heinz Frozen & Chilled Foods Limited

Notes to the financial statements for the 52-week period ended 28 December 2014 (continued)

2. Details to the profit and loss account

a) Turnover

The company's activities consist solely of the manufacture and sale of frozen and chilled food products.

Analysis of turnover by geographical destination:

	52-week to 28 December 2014 £m	35-week to 29 December 2013 £m
Europe	50.6	27.4
	<u>50.6</u>	<u>27.4</u>

b) Loss on ordinary activities before taxation

This is stated after charging:

	52-week to 28 December 2014 £m	35-week to 29 December 2013 £m
Depreciation of tangible fixed assets	2.0	1.9
Severance	7.3	-
Operating leases - plant and machinery	0.1	0.1
Impairment charge of tangible assets	18.7	-
Impairment charge of engineering stock	1.0	-
Termination fees for vendor contract	2.5	-
Auditors' remuneration; audit fees	0.1	0.1

c) Exceptional items

During this period the company incurred restructuring costs of £7.3m as a result of redundancies. In addition, tangible assets impairment loss of £18.7m and engineering stock impairment loss of £1.0m have been charged to the Profit and Loss account in the period as well as £2.5m termination fees for vendor contract.

3. Interest payable and similar charges

	52-week to 28 December 2014 £m	35-week to 29 December 2013 £m
Interest payable and similar charges		
Interest payable to group undertakings	0.6	0.4
Net interest payable	<u>(0.6)</u>	<u>(0.4)</u>

H. J. Heinz Frozen & Chilled Foods Limited

Notes to the financial statements for the 52-week period ended 28 December 2014 (continued)

4. Directors' and employees' emoluments

The monthly average number of employees during the period, analysed between appropriate classes is shown below:	As at 28 December 2014	As at 29 December 2013
Manufacturing operations	191	188
Sales, research and development, distribution and administration	-	7
	<u>191</u>	<u>195</u>
Staff costs - all employees including directors:	52-week to 28 December 2014 £m	35-week to 29 December 2013 £m
Wages and salaries	6.2	4.4
Social security costs	0.4	0.3
Other pension costs	0.1	0.1
	<u>6.7</u>	<u>4.8</u>

Directors

The emoluments of the directors in the 52 week period to December 2014 were paid by H. J. Heinz Foods UK Limited, which have made no recharge to the company in 2014 and 2013. Accordingly, the above details include no emoluments in respect of these directors.

**Notes to the financial statements for the 52-week period ended 28 December 2014
(continued)**

5. Tax on loss on ordinary activities

(a) Analysis of credit in the financial period

	52-week to 28 December 2014 £m	35-week to 29 December 2013 £m
Current tax		
UK corporation tax	(0.5)	(1.2)
Adjustments in respect of prior period	(0.2)	-
Total current tax credit (note 5b)	(0.7)	(1.2)
Deferred tax		
Origination and reversal of timing differences	(3.0)	(0.7)
Total deferred tax credit (note 11a)	(3.0)	(0.7)
 Tax credit on loss on ordinary activities	 (3.7)	 (1.9)

(b) Factors affecting the tax credit for the period

The tax assessed for the period is higher (December 2013: higher) than the standard rate of corporation tax in the UK of 21.5% (December 2013: below:

	52-week to 28 December 2014 £m	35-week to 29 December 2013 £m
Loss on ordinary activities before taxation	(21.8)	(5.6)
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (April 2013: 23%)	(4.6)	(1.3)
Effects of:		
Permanent differences	0.9	-
Capital allowances	3.2	-
Adjustments in respect of prior period	(0.2)	0.1
Total current tax credit	(0.7)	(1.2)

(c) Factors affecting future tax charges

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. The overall effect of these changes, if they had applied to the deferred tax balance at the balance sheet date, would be immaterial.

H. J. Heinz Frozen & Chilled Foods Limited

Notes to the financial statements for the 52-week period ended 28 December 2014 (continued)

6. Stocks

	As at 28 December 2014 £m	As at 29 December 2013 £m
Raw materials and consumables	0.7	1.6
Work in progress	0.1	0.2
	<u>0.8</u>	<u>1.8</u>

7. Tangible fixed assets

	Land and buildings £m	Equipment and automotive £m	Assets under construction £m	Total £m
Cost				
At 30 December 2013	6.7	36.1	0.7	43.5
Additions	-		0.6	0.6
Disposals	-	(0.2)	-	(0.2)
Transfer from asset under construction	0.1	1.2	(1.3)	-
At 28 December 2014	<u>6.8</u>	<u>37.1</u>	<u>-</u>	<u>43.9</u>
Accumulated depreciation				
At 30 December 2013	1.4	20.6	-	22.0
Charge for financial period	0.3	1.7	-	2.0
Disposals	-	(0.2)	-	(0.2)
Impairment	4.9	13.8	-	18.7
At 28 December 2014	<u>6.6</u>	<u>35.9</u>	<u>-</u>	<u>42.5</u>
Net book value				
At 28 December 2014	<u>0.2</u>	<u>1.2</u>	<u>-</u>	<u>1.4</u>
At 29 December 2013	<u>5.3</u>	<u>15.5</u>	<u>0.7</u>	<u>21.5</u>

The carrying value of undepreciated freehold land at 28 December 2014 was £nil (29 December 2013: £0.6m).

H. J. Heinz Frozen & Chilled Foods Limited

Notes to the financial statements for the 52-week period ended 28 December 2014 (continued)

8. Investments

	Total Investment £m
At 28 December 2014 and 29 December 2013	-

Details of Investments:

Subsidiary undertakings	Type of business	% Ordinary share capital held	Country of incorporation
Heinz Single Service Limited	Non trading	100% Direct	England and Wales
The registered office for the subsidiary listed above is South Building, Hayes Park, Hayes, UB4 8AL, England.			

9. Debtors

	As at 28 December 2014 £m	As at 29 December 2013 £m
Amounts owed by group undertakings	29.2	35.4
Value added tax	-	0.2
Corporation tax	2.0	-
Deferred tax asset (Note 11a)	2.1	-
Prepayments and accrued income	1.0	1.3
	<u>34.3</u>	<u>36.9</u>

An amount of £29.2m (As at 29 December 2013: £35.4m) included in amounts owed by group undertakings relates to intercompany balances which are unsecured, interest free and payable on demand.

H. J. Heinz Frozen & Chilled Foods Limited

Notes to the financial statements for the 52-week period ended 28 December 2014 (continued)

10. Creditors: amounts falling due within one year

	As at 28 December 2014 £m	As at 29 December 2013 £m
Trade creditors	11.7	6.7
Amounts owed to group undertakings	44.0	51.3
Value added tax	0.1	-
Corporation tax liability	-	0.7
Accruals and deferred income	0.3	0.2
	<u>56.1</u>	<u>58.9</u>

Amounts owed to group undertakings was £44.0m (as at 29 December 2013: £43.4m) of unsecured short term loans charged at a market rate of interest (Official Cash Rate as per the Bank of England plus 1%). The balance of £nil (As at 29 December 2013: £7.9m) relates to intercompany creditors which are unsecured, interest free and payable on demand.

H. J. Heinz Frozen & Chilled Foods Limited

Notes to the financial statements for the 52-week period ended 28 December 2014 (continued)

11. a) Deferred taxation

	As at 28 December 2014 £m	As at 29 December 2013 £m
Opening balance - deferred tax liability excluding pension	0.9	1.0
Credit to profit and loss account excluding pension	(3.0)	(0.1)
Closing balance - deferred tax (asset)/liability excluding pension	<u>(2.1)</u>	<u>0.9</u>
	As at 28 December 2014 £m	As at 29 December 2013 £m
Opening balance - deferred tax liability/(asset) including pension	0.9	1.6
Credit to profit and loss account including pension	(3.0)	(0.1)
Transfer of pension to H J Heinz Manufacturing UK Limited (credit to the Profit and loss account)	-	(0.6)
Closing balance - deferred tax (asset)/liability including pension	<u>(2.1)</u>	<u>0.9</u>

The directors consider that it is more likely than not, that there will be sufficient taxable profits in the future, such as to realise the deferred tax asset, and therefore, the asset has been recognised in these financial statements.

	Amount provided As at 28 December 2014 £m	As at 29 December 2013 £m
Capital allowances	(2.1)	0.9
Total deferred tax (asset)/liability including pension (note 9)	<u>(2.1)</u>	<u>0.9</u>

b) Provisions

	As at 28 December 2014 £m	As at 29 December 2013 £m
Severance	7.3	-
Termination fees for vendor contract	2.5	-
Total Provisions	<u>9.8</u>	<u>0.9</u>

H. J. Heinz Frozen & Chilled Foods Limited

Notes to the financial statements for the 52-week period ended 28 December 2014 (continued)

12. Called up share capital

	Authorised		Allotted and fully paid	
	As at 28 December 2014 £	As at 29 December 2013 £	As at 28 December 2014 £	As at 29 December 2013 £
Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>	<u>28,323</u>	<u>28,323</u>

13. Profit and loss account

	£m
Balance as at 29 December 2013	1.6
Loss for the financial period	<u>(18.1)</u>
Balance as at 28 December 2014	<u>(16.5)</u>

14. Reconciliation of movement in shareholders' (deficit)/funds

	As at 28 December 2014 £m	As at 29 December 2013 £m
Loss for the financial period	(18.1)	(3.7)
Transfer of Pension to HJ Heinz Manufacturing Limited	<u>-</u>	<u>(4.7)</u>
Net reduction to shareholders' funds	(18.1)	(8.4)
Opening shareholders' funds	<u>1.6</u>	<u>10.0</u>
Closing shareholders' (deficit)/funds	<u>(16.5)</u>	<u>1.6</u>

15. Operating lease commitments

The company had annual commitments under non-cancellable operating leases as set out below:

	Plant and machinery	
	As at 28 December 2014 £m	As at 29 December 2013 £m
Leases expiring within:		
Two to five years	0.1	0.2
Over five years	<u>0.6</u>	<u>0.5</u>
	<u>0.7</u>	<u>0.7</u>

One of the significant operating leases expiring over five years was cancelled in May 2015, therefore termination fee of £2.5m was charged to the Profit and Loss account.

H. J. Heinz Frozen & Chilled Foods Limited

Notes to the financial statements for the 52-week period ended 28 December 2014 (continued)

16. Guarantees

The company is part of a composite guarantee structure with other group companies to manage the cash pool with HSBC in the name of H. J. Heinz Manufacturing UK Limited. Under the guarantee each Heinz company guarantees the other's obligation with HSBC. The other companies included in this cash pool are H. J. Heinz Frozen and Chilled Foods Limited, H. J. Heinz Manufacturing Ireland Limited, HP Foods Limited and Heinz Single Service Limited. The total value of the cash pool stands at £7.7 million (As at 28 December 2013: £7.7m).

The company acts as one of a number of guarantors with respect to H. J. Heinz 2000 Pension Trust Limited as a trustee of the Heinz 2000 Pension plan, H. J. Heinz Trust Limited as a trustee of the Heinz Management Pension Plan and H.J. Heinz Pension Trust limited as a trustee of the Heinz 1975 Pension Plan. The following entities are all guarantors: Fall Ridge Partners LLP, H.J. Heinz Company Limited, HP Foods Limited, H.J. Heinz Foods UK Limited, H.J. Heinz Frozen & Chilled Foods Limited, Heinz Single Service Limited, H.J. Heinz Manufacturing UK Limited and of Highview Atlantic Finance Company Limited.

The guarantees were issued to the trustees of the respective pension plans and cover all present and future obligations and liabilities of each of the above companies (up to and including any debt payable under Section 75(2) of the Pensions Act 1995). Further details with respect to the above three pension plans are disclosed in the financial statements of H. J. Heinz Manufacturing UK Limited and H. J. Heinz Foods UK Limited.

17. Immediate and ultimate parent undertaking and related parties

The immediate parent undertaking of H. J. Heinz Frozen & Chilled Foods Limited is H. J. Heinz Manufacturing UK Limited, a company registered in England and Wales.

H.J. Heinz Holding Corporation, incorporated in the USA, was the Company's ultimate parent undertaking and the controlling party up until the post balance sheet event disclosed below. The Kraft Heinz Company, incorporated in the USA, is now the ultimate parent undertaking and controlling party of the Company.

The smallest group in which the results of the company are consolidated is that of H.J. Heinz Company. H.J. Heinz Company has since changed its name to Kraft Heinz Foods Company after the period end. The largest group in which the results of the company are consolidated is that of H.J. Heinz Holding Corporation. H.J. Heinz Holding Corporation has since changed its name to The Kraft Heinz Company after the period end. Copies of these consolidated financial statements can be obtained from 1 PPG Place, Suite 3100, Pittsburgh, Pennsylvania 15222, U.S.A.

18. Post balance sheet events

The Company ceased manufacturing on 30 April 2015 with all employees being made redundant through severance. The tangible assets and engineering stock of the company was sold to a third party on 15 May 2015.

On 2 July 2015, H. J. Heinz Holding Corporation, the Company's ultimate parent undertaking at that time, completed a merger with the Kraft Foods Group, Inc. to form a new company, The Kraft Heinz Company. On the same date, Kraft Foods Group, Inc. common shares ceased trading on the NASDAQ. The Kraft Heinz Company common shares started trading on NASDAQ on 6 July 2015.