Princes Limited and Subsidiaries

Report and Financial Statements

Year Ended 31 March 2013

Registered No 02328824

Registered No 02328824

Company information

Directors
K Ito
K Critchley
M Easterbrook
N Spruyt
M Oda
C Mackintosh
T Takanose
H Hayashi
N Onuma
H Nakayama

Secretary
M Oda

Auditor
Deloitte LLP
Chartered Accountants and Statutory Auditor
Liverpool
United Kingdom

Registered Office
Royal Liver Building
Pier Head
Liverpool
L3 1NX

Regıstered No 02328824

Directors' report

The dırectors present theır report and the financıal statements for the year ended 31 March 2013

Principal activity and review of the business

The group's prıncıpal actıvıtıes durıng the year have been the ımportatıon, manufacture and dıstrıbutıon of food and drınk products to the grocery trade

On 2 May 2012, Prınces Lımıted acquıred a majorıty shareholdıng ın Prınces Industrıe Alımentarı Srl (PIA) (note 26) The transactıon wıth long term tomato supply partner, AR Industrıe Alımentarı SpA (ARIA), created the new company PIA, whıch acquıred ARIA's 120,000 square metre processıng factory ın Foggıa, Italy

The group turnover for the year ended 31 March 2013 was £1,740,396,000 (2012 £1,511,771,000) The ıncrease ın turnover and profıtabılıty reflects the contınued growth of the busıness

The group profit for the year ended 31 March 2013, after taxatıon and mınorıty ınterests, amounted to £40,353,000 (2012 £31,084,000) The group profit of £40,353,000 represents a 30% ıncrease on the prıor year

The net assets for the group excludıng the pensıon asset as at 31 March 2013 were £217,684,000 (2012 £194,230,000)

The average headcount for the group for the year ended 31 March 2013 was 4,629 (2012 4,166)

The group contınues to ınvest ın research and development Thıs has resulted ın a number of new products beıng launched recently whıch are expected to make contrıbutıons towards the growth of the busıness

Dıvidends

The dırectors propose to pay a final dıvıdend out of reserves on the ordınary shares of £12,860,000 (2012 final dıvıdend paıd of £9,025,000) Dıvıdends paıd ın the year as accounted for ın accordance wıth Fınancıal Reportıng Standard 21 'Events after the Balance Sheet date' are detaıled ın note 9

Future developments

The dırectors aım to maıntaın the management polıcıes whıch have resulted ın the group's growth ın recent years The accounts have been prepared on a goıng concern basıs Further ınformatıon on the basıs of preparatıon ıs gıven ın note 1

Directors

The dırectors who served durıng the year and thereafter are as follows

K Ito
K Crıtchley
M Easterbrook
N Spruyt
M Oda
C Mackıntosh
W Kato (resıgned 1 November 2012)
T Onose (appoınted 1 November 2012 and resıgned 1 Aprıl 2013)
T Terada (resıgned 1 Aprıl 2013)
K Masu (resıgned 1 Aprıl 2013)
K Hıshıda (resıgned 1 Aprıl 2013)
T Takanose (appoınted 1 Aprıl 2013)
H Hayashı (appoınted 1 Aprıl 2013)
N Onuma (appoınted 1 Aprıl 2013)
H Nakayama (appoınted 1 Aprıl 2013)

Directors' report (continued)

Disabled persons

Applications for employment made by disabled persons are given full consideration and training is provided for employees who have become disabled during their employment by the group

Political and charitable contributions

During the year the company made various charitable contributions to registered charities totalling £79,900 (2012 £51,600) There were no political contributions (2012 same)

In addition, the company financially supports various not-for-profit sustainability organisations which are aligned to its corporate responsibility principles

Employee involvement

The directors maintain the provision of information to and consultation with employees by means of regular and ad hoc meetings of management and employees

Treasury policies

The objective of the treasury team is to manage the group's financial risk

The group finances its activities with a combination of bank borrowings and cash Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities The group also enters into derivative transactions, principally forward currency contracts to manage the currency risks arising from the group's operations The group does not trade in financial instruments

Principal risks and uncertainties

Foreign currency risk

The group has invested in operations outside of the United Kingdom and also buys and sells goods and services denominated in currencies other than sterling As a result the value of the group's non-sterling revenues, purchases, financial assets and liabilities and cash flows can be affected by movements in exchange rates in general and in the US Dollar and Euro rates in particular

The company's transactional currency exposure arises from sales or purchases in currencies other than its functional currency The group treasury policy requires all its operating units to use forward currency contracts to minimise the currency exposures Forward currency contracts must be in the same currency as the hedged item

At 31 March 2013 the group had hedged the majority of its foreign currency commitments which existed at the balance sheet date (2012 same)

Interest rate risk

The group's policy is to manage its cost of borrowing using a mix of fixed and variable rate debt depending upon market conditions

Credit risk

The risk of financial loss due to a counterparty's failure to honour its obligations arises principally in relation to transactions where the group provides goods and services, enters into derivative contracts requiring settlement by the other party and invests or deposits surplus cash

Group policies are aimed at minimising such losses, and require that terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures Individual exposures are monitored to ensure that the group's exposure to bad debts is not significant

Directors' report (continued)

Principal risks and uncertainties (continued)

Liquidity risk

The group seeks to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets throughout the group Investment is carefully controlled with authorisation limits operating up to the group board level, and the parent company, and investment return criteria are applied as part of the investment appraisal

The group's funding strategy is to maintain a balance between continuity of funding and flexibility through the use of overdrafts and loans

Price risk

Other than as stated above (foreign currency risk) the group hedges the cost of raw material prices where deemed necessary No speculative trading in derivative financial instruments is undertaken by the group

Creditor payment policy and practice

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with At 31 March 2013, the company had an average of 55 days' purchases outstanding in trade creditors (2012 43 days)

Auditor

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

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

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

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

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting

By order of the board and signed on its behalf by

M Oda
Director
7 June 2013

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking steps for the prevention and detection of fraud and other irregularities

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

Independent auditor's report

to the members of Princes Limited

We have audited the financial statements of Princes Limited for the year ended 31 March 2013 which comprise the group profit and loss account, the group statement of total recognised gains and losses, the group and parent company balance sheets and the related notes 1 to 29 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and the parents company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2013 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report

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

Patrick Loftus

Patrick Loftus ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Liverpool, United Kingdom
7 June 2013

Group profit and loss account

For the year ended 31 March 2013

	Notes	*2013* *£'000*	*2012* *£'000*
Turnover			
- existing operations		1,659,088	1,286,970
- acquisitions		81,308	224,801
	2	1,740,396	1,511,771
Cost of sales		(1,351,230)	(1,215,903)
Gross profit		389,166	295,868
Distribution costs		(209,582)	(156,098)
Administrative expenses		(126,730)	(99,582)
		(336,312)	(255,680)
Operating profit			
- existing operations		52,718	33,152
- acquisitions		136	7,036
	3	52,854	40,188
Share of operating profit in joint venture	12	5,944	5,828
Net interest (payable) / receivable and similar income			
- Group	6	(1,550)	1,211
- Joint Venture	6	(160)	14
Profit on ordinary activities before taxation		57,088	47,241
Tax on profit on ordinary activities	7	(15,644)	(12,934)
Profit on ordinary activities after taxation		41,444	34,307
Equity minority interest	27	(1,091)	(3,223)
Profit for the financial year	20	40,353	31,084

The profit and loss account for the year ended 31 March 2013 relates solely to the group's continuing operations (2012 same)

Group Statement of Total Recognised Gains and Losses

For the year ended 31 March 2013

	Notes	2013 £'000	2012 £'000
Profit for the financial year			
- Group		35,882	26,638
- Joint Venture	12	4,471	4,446
		40,353	31,084
Exchange difference on retranslation of net assets of foreign subsidiaries	20	1,864	(580)
Actuarial loss on pension scheme	25	(4,313)	(12,386)
Movement on deferred tax relating to actuarial loss	7(c),25	1,177	3,554
Other gains and losses relating to the year		(1,272)	(9,412)
Total recognised gains and losses relating to the year		39,081	21,672

Group balance sheet

At 31 March 2013

	Notes	*2013* *£'000*	*2012* *£'000*
Fixed assets			
Intangible assets	10	69,105	71,531
Tangible assets	11	273,550	145,533
Other investments	12	-	5,347
Investment in joint venture,			
Share of gross assets		48,197	46,571
Share of gross liabilities		(15,754)	(18,599)
Net investment in joint venture	12	32,443	27,972
		375,098	250,383
Current assets			
Stocks	13	287,526	216,660
Debtors	14	198,468	200,952
Cash at bank and in hand		1,396	91
		487,390	417,703
***Creditors** amounts falling due within one year*	15	(339,955)	(289,563)
Net current assets		147,435	128,140
Total assets less current liabilities		522,533	378,523
***Creditors** amounts falling due after more than one year*	16	(183,037)	(95,000)
Provisions for liabilities	17	(8,075)	(1,233)
Accruals and deferred income	18	(77,194)	(74,378)
		254,227	207,912
Minority interests	27	(36,543)	(13,682)
Net assets excluding pension asset		217,684	194,230
Pension asset	25	11,887	12,601
Net assets including pension asset		229,571	206,831
Capital and reserves			
Called up share capital	19	7,000	7,000
Capital redemption reserve	20	5,400	5,400
Profit and loss account	20	217,171	194,431
Shareholders' funds	20	229,571	206,831

The financial statements of Princes Limited and Subsidiaries, registered number 02328824, were approved by the Board of Directors and authorised for issue on 7 June 2013

Signed on behalf of the Board of Directors

K Ito
Director

Company balance sheet

At 31 March 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	10	53,163	56,268
Tangible assets	11	146,114	124,320
Investments	12	124,840	105,743
		324,117	286,331
Current assets			
Stocks	13	150,898	156,417
Debtors			
- due within one year	14	220,660	182,738
- due after more than one year	14	42,434	-
Cash at bank and in hand		213	2,652
		414,205	341,807
Creditors *amounts falling due within one year*	15	(275,096)	(249,417)
Net current assets		139,109	92,390
Total assets less current liabilities		463,226	378,721
Creditors *amounts falling due after more than one year*	16	(206,839)	(146,095)
Provision for liabilities	17	(9,750)	(1,233)
Accruals and deferred income	18	(66,759)	(66,426)
Net assets excluding pension asset		179,878	164,967
Pension asset	25	12,196	12,833
Net assets including pension asset		192,074	177,800
Capital and reserves			
Called up share capital	19	7,000	7,000
Capital redemption reserve	20	5,400	5,400
Profit and loss account	20	179,674	165,400
Shareholders' funds	20	192,074	177,800

The financial statements of Princes Limited, registered number 02328824 were approved by the Board of Directors and authorised for issue on 7 June 2013

Signed on behalf of the Board of Directors

K Ito
Director

Notes to the Financial Statements

For the year ended 31 March 2013

1. Accounting policies

The principal accounting policies are summarised below They have all been applied consistently throughout the current and prior year

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting standards The true and fair override provisions of the Companies Act 2006 have been invoked, see 'goodwill and intangible fixed assets' below, which is consistent with the prior year

Going concern

The group's business activities, set out in the principal activity and review of the business on page 2, have been managed through a difficult economic period with strong financial risk management controls and the same controls are expected to continue into future periods Pages 3 to 4 in the Directors' report includes the group's objectives, policies and processes for managing its financial risk, details of its financial instruments and foreign currency activities and its exposure to credit, liquidity and price risk

The group's three year plan forecasts ongoing profitability following a strong performance during the current year The forecasts take into account all reasonably foreseeable changes in trading performance and show that the group will be able to operate within facilities currently available, which exceed the level of borrowings outstanding, both at the balance sheet date and at the date of approval of these financial statements The group meets its day to day working capital requirements through the facilities available to the group

During the year the acquisition of a majority shareholding in Princes Industrie Alimentari Srl (note 26) has resulted in additional borrowings from Mitsubishi Corporation Finance plc (a wholly owned subsidiary of Mitsubishi Corporation) which comprised £60,744,000 (note 16) of borrowings that are repayable in 2022 and a short term rolling facility which was repaid in full during the year The borrowings from Mitsubishi Corporation Finance plc, which totalled £190,744,000 at 31 March 2013, are guaranteed by Mitsubishi Corporation There were also £116,570,000 of bank borrowings (note 16) at 31 March 2013, of which £93,682,000 were uncommitted and due for repayment within one year from the balance sheet date

Princes Limited and Mitsubishi Corporation have strong working relationships with the banks involved and there are no concerns that the current funding will not continue to be available to the group Whilst no written commitment is in place regarding the renewal of short term facilities with either Mitsubishi Corporation or the banks, all parties have indicated that the current funding structure, including additional available facilities, will remain in place for at least twelve months from the date of approval of these financial statements with further funding available if required

After making enquiries, the directors have a high expectation that the company and the group have sufficient financial resources to continue in operational existence for the foreseeable future As a consequence, the directors believe that the group is well placed to manage its business risk successfully despite the current uncertain economic environment Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Basis of consolidation

The consolidated accounts consolidate the accounts of Princes Limited and all its subsidiary undertakings made up to co-terminus dates No profit and loss account is presented for Princes Limited as permitted by Section 408 of the Companies Act 2006

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

1. Accounting policies (continued)

Goodwill and intangible fixed assets

Goodwill arising on consolidation, representing the excess of the purchase consideration of subsidiary undertakings over the fair value ascribed to their net tangible assets at the respective dates of acquisition is capitalised and amortised over its expected useful economic life The useful economic life of all acquisitions made by the group where a finite life can be identified is 10-20 years, and amortisation is charged on a straight line basis

Goodwill 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

Brands acquired which have a value which is substantial and long term are recorded at cost, less appropriate provisions No annual amortisation is provided where the intangible asset is considered to have an indefinite useful economic life, in which case the carrying value is reviewed for impairment on an annual basis

The intangible assets relating to brands (see note 10) are deemed to have an indefinite useful economic life In the opinion of the directors, the brands acquired have indefinite durability, and the intangible assets are capable of continued measurement Therefore, no amortisation is charged and the asset is held at original cost in accordance with Financial Reporting Standard 10 'Goodwill and Intangible Assets' This represents a departure from Section 396 of the Companies Act 2006 and Schedule 1 22 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 for the over-riding purpose of giving a true and fair view of the group's results

If the intangible asset relating to brands and related goodwill had been amortised over a period of 10 years, operating profit would have decreased by £2,064,000 in the year ended 31 March 2013 (2012 £2,600,000)

Licences are amortised based on the licence agreement in place

Investments in joint ventures

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

Deferred consideration

Deferred consideration is held within provisions for liabilities and is recorded at the fair value of consideration payable

Other investments

Other fixed asset investments are stated at the lower of cost and net realisable value

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost evenly over the estimated useful life, as follows

Freehold buildings	-	over 33 to 50 years
Leasehold land and buildings	-	over 50 years or over period of lease, if less
Leasehold improvements	-	over 10 years
Plant, machinery and equipment	-	over 2 to 30 years
Vehicles	-	over 2 to 10 years

Assets are depreciated from the date they are brought into use

Research and development

Research and development expenditure is written off as incurred

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

1. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value as follows

Raw materials, packaging and goods purchased for resale	- purchase cost on a first-in, first-out basis
Manufactured goods	- cost of direct materials and labour plus attributable overheads based on normal level of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal

Pension costs

The group operates defined benefit schemes for the benefit of its employees The schemes, which are funded by contributions, partly from the employees and partly from the company, are administered independently Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives

The regular cost is attributed to individual years using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date Actuarial gains and losses are recognised in full in the year in which they occur They are recognised outside the profit or loss account and presented in the statement of total recognised gains and losses

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight line basis over the average year until the benefits become vested

The retirement benefit asset recognised in the balance sheet represents the fair value of scheme assets as reduced by the present value of the defined benefit obligation Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan

Amounts payable to defined contribution schemes are charged to the profit and loss account as they become payable in accordance with the rules of the schemes

Leasing commitments

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives The capital elements of the future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the year of the leases to produce a constant rate of charge on the balance of capital repayments outstanding Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the year to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter year is used

Taxation

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

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

1. Accounting policies (continued)

Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements

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

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate

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 by the balance sheet date Deferred tax is measured on a non-discounted basis

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions Assets and liabilities in foreign currencies are translated at the rate of exchange on the balance sheet date except those which are the subject of forward exchange contracts, or allocated to an option agreement, where the forward rate obtained has been used Exchange differences are taken to the profit and loss account.

The accounts of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date The exchange difference arising on the retranslation of opening net assets is taken directly to reserves All other translation differences are taken to the profit and loss account

Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to currency movements The group does not hold or issue derivative financial instruments for speculative purposes

Derivatives are not included at fair value in the financial statements but in accordance with the Companies Act 2006 the fair value is disclosed in note 28

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise

Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1 (Revised 1996) 'Cash Flow Statements' not to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of a parent whose accounts are publicly available

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

1. Accounting policies (continued)

Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with group companies as it is a wholly owned subsidiary undertaking, with the ultimate parent undertaking disclosed in note 29

2. Turnover and segmental analysis

Turnover represents the invoiced value of goods sold which fall within the group's continuing ordinary activities and is stated net of value added tax and trading allowances Turnover is recognised when the risk and rewards have been transferred The total sales from Edible Oils Limited are included within group turnover as detailed in note 24

The group operates in one principal area of activity, that of the importation, manufacture and distribution of food and drink products The group also operates within three geographical markets, the United Kingdom, Rest of Europe and Rest of the World Profit before tax attributable to activities outside of the United Kingdom is not material to the group as a whole

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

2. Turnover and segmental analysis (continued)

Origin of group turnover is split as follows	*2013* *£'000*	*2012* *£'000*
United Kingdom	1,437,802	1,257,284
Rest of Europe	374,445	265,648
Rest of the World	144,699	122,787
Inter-segment sales	(216,550)	(133,948)
	1,740,396	1,511,771

Destination of turnover is split as follows	*2013* *£'000*	*2012* *£'000*
United Kingdom	1,390,042	1,232,278
Rest of Europe	254,128	164,897
Rest of the World	96,226	114,596
	1,740,396	1,511,771

The location of the group's share of net assets is split as follows	*2013* *£'000*	*2012* *£'000*
United Kingdom	178,318	177,709
Rest of Europe	30,620	10,787
Rest of the World	20,633	18,335
	229,571	206,831

The analysis presented above includes amounts in respect of operations acquired during the year, being the acquisition of a majority shareholding in Princes Industrie Alimentari Srl

The origin of turnover relating to the acquisition was £130,268,000, which included £48,960,000 of intersegment sales The destination of turnover was £47,985,000 to the UK, £76,511,000 to the Rest of Europe and £5,772,000 to the Rest of the World

Continuing operations include cost of sales of £64,868,000, gross profit of £16,440,000, distribution costs of £3,159,000, and administrative expenses of £13,145,000 relating to the acquisition

The net assets of the acquired operations at 31 March 2013 were £41,468,000

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

3. Operating profit

Operating profit is stated after charging / (crediting)

Group

	2013	*2012*
	£'000	*£'000*
Depreciation of tangible fixed assets		
- Owned	22,431	13,907
- Held under finance lease	772	-
Reversal of past impairment losses	(894)	-
Amortisation of intangible fixed assets and goodwill	3,086	2,231
Royalty payable	3,054	2,587
Foreign exchange gains	(85)	(151)
Operating Lease Rentals		
- Land and buildings	1,611	1,611
- Plant, machinery and equipment	2,206	2,929
- Vehicles	334	250
The analysis of auditor's remuneration is as follows		
Fees payable to the company's auditor for the audit of the company's accounts	153	149
Fees payable to the company's auditor and their associates for other services to the group:		
- Fees payable to the company's auditor for the audit of the company's subsidiaries pursuant to legislation	22	21
- Fees payable to associates of the company's auditor for the audit of the company's overseas incorporated subsidiaries, pursuant to legislation	93	43
Total statutory audit fees	268	213
Fees payable to the company's auditor for other services to the group pursuant to legislation:		
- The audit of the group's consolidated year end reporting package submitted to Mitsubishi Corporation	15	15
- The audit of the group's consolidated quarterly reporting packages submitted to Mitsubishi Corporation	56	50
- The audit of the group's internal controls	116	109
- The audit of associated pension schemes	-	8
- Other services	42	-
Total non-statutory audit fees	229	182

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis

Fees payable to Deloitte LLP and their associates for the respective audits of the financial statements of Edible Oils Limited and its overseas incorporated subsidiaries, in which the group has a joint venture interest, for the year ended 31 March 2013 were £42,000 (2012 £44,000) and are not recharged to the group

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

4. Directors' emoluments

Group and company

	2013 *£'000*	*2012* *£'000*
Emoluments	2,451	2,284
	No	*No.*
Directors to whom retirement benefits are accruing for qualifying services in respect of defined benefit pension schemes	2	2

The emoluments of the highest paid director were £553,000 (2012 £518,000) There is no requirement to disclose accrued pension entitlement of the highest paid director as at 31 March 2013 (2012 same)

5. Staff costs

Group

Staff costs, inclusive of directors' remuneration

	2013 *£'000*	*2012* *£'000*
Wages and salaries	114,814	91,548
Social security costs	13,060	8,524
Pension costs	6,720	5,214
	134,594	105,286

Included within wages and salaries costs are costs in respect of temporary sub-contracted agency employees of £12,211,000 (2012 £4,859,000)

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

	2013 *No.*	*2012* *No.*
Office management	698	605
Manufacturing, warehousing and transport	3,931	3,561
	4,629	4,166

Average employees numbers do not include temporary sub-contracted agency employees which totalled 854 (2012 325)

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

5. Staff costs (continued)

Company

Staff costs, inclusive of directors' remuneration

	2013 £'000	2012 £'000
Wages and salaries	88,342	80,390
Social security costs	8,762	7,689
Pension costs	5,908	4,529
	103,012	92,608

Included within wages and salaries costs are costs in respect of temporary sub-contracted agency employees of £5,834,000 (2012 £4,370,000)

The average monthly number of employees during the year including directors was

	2013 No	2012 No.
Office management	578	524
Manufacturing, warehousing and transport	1,798	1,473
	2,376	1,997

Average employees numbers do not include temporary sub-contracted agency employees which totalled 342 (2012 289)

6. Net interest (payable) / receivable and similar income

Group

	2013 £'000	2012 £'000
Interest payable on loans and overdrafts	(2,084)	(1,174)
Interest payable on loans from group undertakings	(2,574)	(1,251)
Interest receivable on deposits	26	191
Finance income on pension scheme (note 25)	3,082	3,445
Net interest (payable) / receivable - group	(1,550)	1,211
Share of interest (payable) / receivable by joint venture (note 12)	(160)	14
	(1,710)	1,225

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

7. Tax on profit on ordinary activities

a) Analysis of tax charge in year

Group

	2013	*2012*
	£'000	*£'000*
Current tax		
UK corporation tax on profits for the year	9,625	5,894
Adjustments in respect of previous years	(1,239)	98
	8,386	5,992
Foreign tax	1,477	925
Total current tax (note 7(b))	9,863	6,917
Deferred tax		
Origination and reversal of timing differences	4,468	4,621
Total deferred tax (note 7(c))	4,468	4,621
Share of joint venture's tax	1,313	1,396
Total tax charge	15,644	12,934

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively This will reduce the company's future current tax charge accordingly The deferred tax liability at 31 March 2013 has been calculated based on the rate of 23% substantively enacted at the balance sheet date

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

7. Tax on profit on ordinary activities (continued)

b) Factors affecting tax charge for the year

Group

	2013 *£'000*	*2012* *£'000*
Profit on ordinary activities before tax	57,088	47,241
Less Share of joint venture	(5,784)	(5,842)
	51,304	41,399
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 26%)	12,313	10,764
Effects of:		
Expenses not deductible for tax purposes	1,169	1,519
Capital allowances higher than than depreciation for the year	(2,032)	(2,712)
Higher / (Lower) tax rates on overseas earnings	400	(453)
Other timing differences	(891)	(1,977)
Adjustment in respect of previous years	(1,214)	97
Brought forward tax losses utilised	(519)	-
Other	637	(321)
Current tax charge for the year (note 7(a))	9,863	6,917

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

7. Tax on profit on ordinary activities (continued)

c) Deferred tax

Group

	Provided		*Unprovided*	
	2013	***2012***	***2013***	***2012***
	£'000	***£'000***	***£'000***	***£'000***
Accelerated capital allowances	4,068	1,240	-	(1,185)
Other timing differences	(985)	(729)	(537)	(586)
Special pension contribution	-	(1,201)	-	-
Deferred tax liability / (asset) (note 14 and 17)	3,083	(690)	(537)	(1,771)
Deferred tax liability on pension surplus (note 25)	3,589	3,979	-	-
	6,672	3,289	(537)	(1,771)

	2013
	£'000
Net provision at beginning of year	3,289
Credit to statement of total recognised gains and losses on actuarial loss	(1,177)
Charge to profit and loss account (note 7(a))	4,468
Other movements	92
Net provision at end of year	6,672

A deferred tax asset of £537,000 (2012 £1,771,000) has not been recognised due to the uncertainty regarding its future reversal

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

7. Tax on profit on ordinary activities (continued)

c) Deferred tax (continued)

Company

	Provided		Unprovided	
	2013	*2012*	*2013*	*2012*
	£'000	*£'000*	*£'000*	*£'000*
Accelerated capital allowances	5,180	1,241	-	-
Other timing differences	(422)	(501)	-	-
Special pension contribution	-	(1,201)	-	-
Deferred tax liability / (asset) (note 14 and 17)	4,758	(461)	-	-
Deferred tax liability on pension surplus	3,643	4,053	-	-
	8,401	3,592	-	-

	2013
	£'000
Net provision at beginning of year	3,592
Charge to profit and loss account	5,986
Credit to statement of total recognised gains and losses on actuarial loss	(1,177)
Net provision at end of year	8,401

8. Profit on ordinary activities after taxation

The profit on ordinary activities after taxation in the financial statements of the parent company was £33,646,000 (2012 £25,676,000)

9. Dividends

	2013	*2012*
	£'000	*£'000*
Dividends on equity shares		
2011 Final ordinary dividend paid at 110 5p per share	-	7,737
2012 Interim ordinary dividend paid at 93 1p per share	-	6,517
2012 Final ordinary dividend paid at 128 9p per share	9,025	-
2013 Interim ordinary dividend paid at 104 5p per share	7,316	-
	16,341	14,254

On 7 June 2013 a final dividend of £12,860,000, at 183 7p per ordinary share was approved by the Board

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

10. Intangible fixed assets

Group

	Brand *£'000*	*Licences* *£'000*	*Goodwill* *£'000*	*Total* *£'000*
Cost				
At 1 April 2012	18,848	14,610	86,900	120,358
Revaluation	-	-	89	89
Acquisition (note 26)	-	-	571	571
At 31 March 2013	18,848	14,610	87,560	121,018
Amortisation				
At 1 April 2012	-	695	48,132	48,827
Provided during the year	-	1,032	2,054	3,086
At 31 March 2013	-	1,727	50,186	51,913
Net book values				
At 31 March 2013	18,848	12,883	37,374	69,105
At 31 March 2012	18,848	13,915	38,768	71,531

Company

	Brand *£'000*	*Licences* *£'000*	*Goodwill* *£'000*	*Total* *£'000*
Cost				
At 1 April 2012	11,555	14,610	50,520	76,685
Revaluation	-	-	89	89
At 31 March 2013	11,555	14,610	50,609	76,774
Amortisation				
At 1 April 2012	-	695	19,722	20,417
Provided during the year	-	1,032	2,162	3,194
At 31 March 2013	-	1,727	21,884	23,611
Net book values				
At 31 March 2013	11,555	12,883	28,725	53,163
At 31 March 2012	11,555	13,915	30,798	56,268

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

11. Tangible fixed assets

Group	*Assets in the course of construction £'000*	*Land and buildings £'000*	*Plant, machinery and equipment £'000*	*Vehicles £'000*	*Total £'000*
Cost					
At 1 April 2012	8,442	72,963	193,167	881	275,453
Additions	38,692	2,622	8,271	4	49,589
Acquisition	746	40,857	55,176	190	96,969
Transfers	(22,082)	2,280	19,802	-	-
Disposals	-	(19)	(4,151)	(42)	(4,212)
Translation adjustment	29	1,950	2,590	56	4,625
At 31 March 2013	25,827	120,653	274,855	1,089	422,424
Depreciation					
At 1 April 2012	-	16,782	112,527	611	129,920
Provided in year	-	3,268	19,789	146	23,203
Reversal of past impairment losses	-	(55)	(839)	-	(894)
Disposals	-	(19)	(3,427)	(38)	(3,484)
Translation adjustment	-	26	94	9	129
At 31 March 2013	-	20,002	128,144	728	148,874
Net book value					
At 31 March 2013	25,827	100,651	146,711	361	273,550
At 31 March 2012	8,442	56,181	80,640	270	145,533

Included in the total net book value of Plant, machinery and equipment is £9,459,000 (2012 nil) in respect of assets held under finance leases Depreciation for the year on these assets was £772,000 (2012 nil)

In the opinion of the directors, the current open market value of the group's interests in land and buildings is not materially different to the book value

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

11. Tangible fixed assets (continued)

Company

	Assets in the course of construction £'000	*Land and buildings £'000*	*Plant, machinery and equipment £'000*	*Total £'000*
Cost				
At 1 April 2012	7,993	55,592	162,201	225,786
Additions	35,274	455	838	36,567
Transfers	(18,841)	898	17,943	-
Disposals	-	(19)	(1,392)	(1,411)
Translation adjustment	-	-	1	1
At 31 March 2013	24,426	56,926	179,591	260,943
Depreciation				
At 1 April 2012	-	13,227	88,239	101,466
Provided in year	-	1,483	14,152	15,635
Reversal of past impairment losses	-	(55)	(839)	(894)
Disposals	-	(19)	(1,360)	(1,379)
Translation adjustment	-	-	1	1
At 31 March 2013	-	14,636	100,193	114,829
Net book value				
At 31 March 2013	24,426	42,290	79,398	146,114
At 31 March 2012	7,993	42,365	73,962	124,320

The net book value of land and buildings comprises

	Group 2013 £'000	*Group 2012 £'000*	*Company 2013 £'000*	*Company 2012 £'000*
Freehold	88,704	43,784	30,406	30,033
Long leasehold	11,947	12,397	11,884	12,332
	100,651	56,181	42,290	42,365

Included in freehold land and buildings of the company and of the group is land at cost of £5,933,000 (2012 £5,933,000) and £9,686,000 (2012 £7,554,000) respectively which is not depreciated

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

12. Investments

Group

	Joint Venture £'000	*Other investments £'000*	*Total £'000*
At 31 March 2012	27,972	5,347	33,319
Share of profit retained by joint venture	4,471	-	4,471
Disposals	-	(5,347)	(5,347)
At 31 March 2013	32,443	-	32,443

The group's share of joint venture assets as at 31 March 2013 was represented by fixed assets £21,224,000 (2012 £19,851,000), current assets £26,973,000 (2012 £26,720,000), current liabilities £14,914,000 (2012 £17,908,000), long term liabilities £nil (2012 nil) and a provision for liabilities and charges £840,000 (2012 £691,000)

The share of joint venture retained profit for the year of £4,471,000 (2012 £4,446,000) comprises £5,944,000 (2012 £5,828,000) share of operating profit, £1,313,000 (2012 £1,396,000) share of taxation charges (note 7(a) and £160,000 (2012 £14,000 interest receivable) share of interest payable (note 6)

Company

	Subsidiary undertakings £'000	*Joint Venture £'000*	*Other investments £'000*	*Total £'000*
At 31 March 2012	95,871	4,525	5,347	105,743
Additions (note 26)	24,444	-	-	24,444
Disposals	-	-	(5,347)	(5,347)
At 31 March 2013	120,315	4,525	-	124,840

The addition to investments in subsidiary undertakings relates to the acquisition of a majority shareholding in Princes Industrie Alimentari Srl on 2 May 2012

The disposal of other investments relates to the group's 7% interest in the ordinary share capital of A R Industrie Alimentari S p A, a company incorporated in Italy whose principal activity is the processing and distribution of canned tomatoes The investment was sold for €6,600,000

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

12. Investments (continued)

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital and which have traded during the year are as follows

Subsidiary undertakings	*Country of registration and operation*	*Holding*	*Proportion Held*	*Nature of business*
Princes Tuna (Mauritius) Limited	Mauritius	Ordinary	64%	Canning of tuna fish
Princes Foods BV	Holland	Ordinary	100%	Distribution of food products
Napolina Limited	England & Wales	Ordinary	76%	Importation and distribution of food products
West Yorkshire Industrial Estates (Management) Limited	England & Wales	Ordinary	56%	Estate management
Well Well Well (UK) Ltd	England & Wales	Ordinary	100%	Bottled water production
Princes Industrie Alimentari Srl	Italy	Ordinary	51%	Canning of tomatoes

Joint venture undertakings	*Country of registration and operation*	*Holding*	*Proportion Held*	*Nature of business*
Edible Oils Limited	England & Wales	Ordinary	50%	Processing of edible oils

The Group also has a branch that operates in Holland, Princes MC Foods Europe, whose principal activity is the trading of commodities

13. Stocks

	Group		*Company*	
	2013	*2012*	*2013*	*2012*
	£'000	*£'000*	*£'000*	*£'000*
Raw materials and consumables	80,222	60,137	28,056	31,806
Finished goods and goods for resale	207,304	156,523	122,842	124,611
	287,526	216,660	150,898	156,417

There is no material difference between the balance sheet value of stocks and their replacement cost

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

14. Debtors

	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
Trade debtors	163,738	133,194	112,696	99,626
Amounts owed by subsidiary undertakings	-	-	120,182	16,881
Amount owed by parent undertakings and other group companies	6,454	12,836	5,942	12,836
Other debtors	18,239	40,514	13,788	39,784
Prepayments and accrued income	10,037	13,718	10,486	13,150
Deferred tax (note 7c) and 17)	-	690	-	461
	198,468	200,952	263,094	182,738

Included within amounts owed by subsidiary undertakings to the company is £42,434,000 (2012 nil) due in greater than one year, on which interest is charged based on 3 months Euribor

15. Creditors: amounts falling due within one year

	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
Bank loans and overdrafts (note 16)	93,682	88,661	81,908	73,797
Trade creditors	179,728	135,024	110,954	103,925
Current corporation tax	8,695	6,981	6,773	5,190
Other taxes and social security costs	2,954	1,657	2,675	1,657
Other creditors	7,288	12,941	5,963	11,379
Amounts due to subsidiary undertakings	-	-	28,282	14,634
Amounts due to parent undertakings and other group companies (note 16)	46,011	44,299	38,541	38,835
Obligations under finance leases (note 16)	1,597	-	-	-
	339,955	289,563	275,096	249,417

Bank borrowings are made against short term or overdraft facilities, all at commercial rates of interest, all repayable within one year

Included within amounts falling due within one year for the group are overdrafts of £7,179,000 secured with a floating charge over the assets of the respective subsidiary entity

Included within amounts owed by the group and company to parent undertakings and other affiliated companies is £35,000,000 (2012 £35,000,000) relating to short term borrowings (note 16)

Included within amounts owed by the company to subsidiary undertakings is £2,536,000 (2012 £2,420,000) relating to group relief

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

16. Creditors. amounts falling due after more than one year

	Group		Company	
	2013	*2012*	*2013*	*2012*
	£'000	*£'000*	*£'000*	*£'000*
Loans from subsidiary undertakings	-	-	51,095	51,095
Bank loans and overdrafts	22,888	-	-	-
Amounts due to parent undertakings and other group companies	155,744	95,000	155,744	95,000
Obligations under finance leases	4,405	-	-	-
	183,037	95,000	206,839	146,095

An analysis of the maturity of borrowings is as follows

Borrowings

	Group		Company	
	2013	*2012*	*2013*	*2012*
	£'000	*£'000*	*£'000*	*£'000*
Amounts falling due				
In one year or less or on demand (note 15)	128,682	123,661	116,908	108,797
Between two and five years	9,618	-	51,095	51,095
After five years	169,014	95,000	155,744	95,000
	307,314	218,661	323,747	254,892

The amounts due after more than one year include group borrowings of £95,000,000 (2012 £95,000,000) that are repayable by 21st July 2021 on which interest is based on 3 months LIBOR and £60,744,000 (2012 nil) repayable by 2nd May 2022 on which interest is based on 3 months Euribor, as well as bank borrowings repayable in instalments

All borrowings due to parent and other group companies are secured under a guarantee from Mitsubishi Corporation

Finance Leases

	Group		Company	
	2013	*2012*	*2013*	*2012*
	£'000	*£'000*	*£'000*	*£'000*
Amounts falling due				
In one year or less or on demand (note 15)	1,597	-	-	-
Between two and five years	4,053	-	-	-
After five years	352	-	-	-
	6,002	-	-	-

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

17. Provisions for liabilities

Group

	Deferred Taxation	*Deferred Consideration*	*Total*
	£'000	*£'000*	*£'000*
At 31 March 2012	-	1,233	1,233
Charged to profit and loss account taking asset to liability (note 14)	3,083	-	3,083
Released unused	-	(1,233)	(1,233)
Acquisition of subsidiary undertaking (note 26)	-	4,992	4,992
At 31 March 2013	3,083	4,992	8,075

Company

	Deferred Taxation	*Deferred Consideration*	*Total*
	£'000	*£'000*	*£'000*
At 31 March 2012	-	1,233	1,233
Charged to profit and loss account taking asset to liability (note 14)	4,758	-	4,758
Released unused	-	(1,233)	(1,233)
Acquisition of subsidiary undertaking (note 26)	-	4,992	4,992
At 31 March 2013	4,758	4,992	9,750

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

18. Accruals and deferred income

Group

	Accruals	*Other deferred income*	*Deferred lease income (note 24)*	*Total*
	£'000	*£'000*	*£'000*	*£'000*
At 31 March 2012	70,041	48	4,289	74,378
Movement in year	2,911	1	-	2,912
Amortisation	-	-	(96)	(96)
At 31 March 2013	72,952	49	4,193	77,194

Company

	Accruals	*Deferred lease income (note 24)*	*Total*
	£'000	*£'000*	*£'000*
At 31 March 2012	62,137	4,289	66,426
Movement in year	429	-	429
Amortisation	-	(96)	(96)
At 31 March 2013	62,566	4,193	66,759

19. Share capital

	2013	*2012*
	£'000	*£'000*
Authorised		
29,600,000 ordinary shares of £1 each	29,600	29,600
Allotted, called up and fully paid		
7,000,000 ordinary shares of £1 each	7,000	7,000

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

20. Reconciliation of shareholders' funds and movements on reserves

Group

	Share capital £'000	*Capital redemption reserve £'000*	*Profit and loss account £'000*	*Total shareholders' funds £'000*
At 1 April 2011	7,000	5,400	187,013	199,413
Retranslation of net assets of foreign subsidiaries	-	-	(580)	(580)
Profit for the year	-	-	31,084	31,084
Dividends	-	-	(14,254)	(14,254)
Actuarial gain on pension scheme	-	-	(12,386)	(12,386)
Deferred tax relating to actuarial gain	-	-	3,554	3,554
Net additions to shareholders' funds	-	-	7,418	7,418
At 31 March and 1 April 2012	7,000	5,400	194,431	206,831
Retranslation of net assets of foreign subsidiaries	-	-	1,864	1,864
Profit for the year	-	-	40,353	40,353
Dividends	-	-	(16,341)	(16,341)
Actuarial loss on pension scheme	-	-	(4,313)	(4,313)
Deferred tax relating to actuarial loss	-	-	1,177	1,177
Net additions to shareholders' funds	-	-	22,740	22,740
At 31 March 2013	7,000	5,400	217,171	229,571

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

20. Reconciliation of shareholders' funds and movements on reserves (continued)

Company

	Share capital £'000	*Capital redemption reserve £'000*	*Profit and loss account £'000*	*Total share-holders' funds £'000*
At 1 April 2011	7,000	5,400	162,866	175,266
Retranslation of net assets of foreign divisions	-	-	(155)	(155)
Profit for the year	-	-	25,676	25,676
Dividends	-	-	(14,254)	(14,254)
Actuarial gain on pension scheme	-	-	(12,258)	(12,258)
Deferred tax relating to actuarial gain	-	-	3,525	3,525
Net additions to shareholders' funds	-	-	2,534	2,534
At 31 March and 1 April 2012	7,000	5,400	165,400	177,800
Retranslation of net assets of foreign divisions	-	-	35	35
Profit for the year	-	-	33,646	33,646
Dividends	-	-	(16,341)	(16,341)
Actuarial loss on pension scheme	-	-	(4,243)	(4,243)
Deferred tax relating to actuarial loss	-	-	1,177	1,177
Net additions to shareholders' funds	-	-	14,274	14,274
At 31 March 2013	7,000	5,400	179,674	192,074

21. Capital commitments

		Group		*Company*
	2013 £'000	*2012 £'000*	*2013 £'000*	*2012 £'000*
Amounts contracted but not provided for	16,792	4,821	11,892	4,382

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

22. Other financial commitments

At 31 March 2013 the company and the group had annual commitments under non-cancellable operating leases as set out below

Group

		2013		*2012*
	Land and buildings £'000	*Other £'000*	*Land and buildings £'000*	*Other £'000*
Operating leases which expire				
Within one year of the balance sheet date	482	1,830	-	734
In the second to fifth year	-	911	861	1,066
In over five years	771	-	771	5
	1,253	2,741	1,632	1,805

Company

		2013		*2012*
	Land and buildings £'000	*Other £'000*	*Land and buildings £'000*	*Other £'000*
Operating leases which expire				
Within one year of the balance sheet date	358	1,748	-	734
In the second to fifth year	-	495	717	408
In over five years	771	-	771	5
	1,129	2,243	1,488	1,147

23. Contingent liabilities

The group and company have issued general indemnities in the normal course of business, however, none are considered material for disclosure in the financial statements (2012 same)

24. Related party transactions

Group

Princes Limited has a 50% joint venture interest in Edible Oils Limited During the year the group purchased goods in the normal course of business from Edible Oils Limited for £212,787,000 (2012 £207,781,000) for onward sale to customers The value of the total sales of Edible Oils Limited is therefore included within group turnover During the year the group has charged Edible Oils Limited £2,714,000 (2012 £2,419,000) for distribution and service agreements The net amount owed to Edible Oils Limited at the balance sheet date included within trade creditors and amounts owed by parent undertakings and other group companies was £25,098,000 (2012 £15,176,000) The deferred lease income of £4,193,000 (2012 £4,289,000) included within accruals and deferred income (note 18) is owed by the group to Edible Oils

In addition, the group purchased goods from its subsidiary undertakings, Princes Tuna Mauritius and Princes Industrie Alimentari Srl, for £82,871,000 (2012 £65,924,000) and £18,596,000 (2012 nil) respectively, and sold goods to another subsidiary undertaking, Napolina Limited, for £26,746,000 (2012 £21,040,000)

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

24. Related party transactions (continued)

During the year the group also charged Napolina Limited a management fee of £3,604,000 (2012 £2,862,000)

The total amount due to Princes Tuna Mauritius at the balance sheet date (note 15) was £14,532,000 (2012 £7,953,000), the amount due to Napolina Limited was £4,954,000 (2012 £1,806,000) and the amount due to Princes Industrie Alimentari Srl was £5,025,000 (2012 nil) In addition, the group was owed £105,603,000 (2012 nil) from Princes Industrie Alimentari Srl in respect of loans (note 14), of which £42,247,000 is included within debtors greater than one year

All transactions were in the normal course of business and the prices for each individual purchase and sale were arm's length prices

Company

During the year the company purchased goods in the normal course of business from Edible Oils Limited for £166,351,000 (2012 £167,183,000) for onward sale to customers The prices charged were arm's length prices in the case of each individual purchase The value of the total sales of Edible Oils Limited is therefore included within the company's turnover During the year the company has charged Edible Oils Limited £2,296,000 (2012 £2,143,000) for distribution and service agreements The net amount owed to Edible Oils Limited at the balance sheet date, included within trade creditors and amounts owed by parent undertakings and other group companies was £25,098,000 (2012 £9,872,000) The deferred lease income of £4,193,000 (2012 £4,289,000) included within accruals and deferred income (note 18) is owed by Princes Limited to Edible Oils

25. Pensions

The group operates a number of defined benefit pension schemes, which are funded by the payment of contributions to independently administered trust funds The assets of these schemes are held separately from those of the group The pension cost figures included in the accounts relating to the pension schemes are stated in accordance with Financial Reporting Standard 17 'Retirement Benefits' (FRS 17)

The principal pension schemes operated by the group are the Princes Pension Schemes, which are operated by the company Princes Tuna (Mauritius) Ltd, a subsidiary undertaking, also operates a defined benefit scheme which has an overall deficit of £309,000 (2012 £232,000) and is therefore considered by the directors to be insignificant compared to the overall surplus within the group

The pension costs are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the attained age method The results of the most recent valuations, which were conducted as at 31 March 2009 for the Princes Pension Schemes are as follows

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

25. Pensions (continued)

	Princes' schemes
Rate of increase in salaries (% per annum)	4 30%
Rate of increase in pensions	3 30%
Discount rate	5 40%
Rate of inflation	3 30%
	£'000
Market value of schemes' assets	69,332
Level of funding being the actuarial value of assets expressed as a percentage of the benefits accrued to members, after allowing for future salary increases	66%

Mortality assumptions

Investigations have been carried out within the past three years into the mortality experience of the groups' defined benefit schemes These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates The assumed life expectations on retirement at age 65, using weighted average life expectancy for mortality tables, are

	Valuation at 31 March 2013	*Valuation at 31 March 2012*
	Princes' Schemes	*Princes' Schemes*
Retiring today		
Males	20 8	20 0
Females	23 4	22 8
Retiring in 20 years		
Males	21 9	21 2
Females	24 7	24 1

The valuation used for FRS 17 purposes has been based on the most recent actuarial valuations and updated by the scheme actuaries to take account of the requirements of FRS 17 in order to assess the liabilities of the schemes at 31 March 2013, 31 March 2012 and 31 March 2011 Scheme assets are stated at their market values at the respective balance sheet dates The major assumptions used by the actuaries were

	2013	*2012*	*2011*
Main assumptions			
Rate of increase in salaries	3 7%	3 7%	3 6%
Rate of increase in pensions in payment	3 2%	3 2%	3 1%
Rate of increase in deferred pensions	2 3%	2 3%	2 7%
Discount rate	4 4%	5 1%	5 5%
Inflation assumption- RPI	3 3%	3 3%	3 2%
Inflation assumption - CPI	2 3%	2 3%	2 7%

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

25. Pensions (continued)

The sensitivities regarding the principal assumptions used to measure the schemes liabilities at 31 March 2013 are set out below

Assumption	*Change in assumption*	*Impact on scheme liabilities*
Discount rate	Increase/decrease by 0 5%	Decrease/increase by 11 8% (2012 11 2%)
Rate of inflation	Increase/decrease by 0 5%	Increase/decrease by 8 8% (2012 8 8%)
Rate of salary growth	Increase/decrease by 0 5%	Increase/decrease by 3 0% (2012 3 3%)
Rate of mortality	Increase by 1 year	Increase by 2 4% (2012 2 4%)

As at 31 March 2013, the assets and liabilities of the schemes and the expected rates of return were

	Long term rate of return expected at 2013	*Market value at 2013 £'000*	*Long term rate of return expected at 2012*	*Market value at 2012 £'000*	*Long term rate of return expected at 2011*	*Market value at 2011 £'000*
Equities	8 3%	87,785	8 5%	75,444	8 4%	78,916
Bonds	4 2%	96,061	4 8%	85,503	5 3%	69,831
Other	3 5%	438	0 9%	659	1 7%	638
Total market value of scheme assets		184,284		161,606		149,385
Present value of scheme liabilities		(168,808)		(145,026)		(124,752)
Pension asset before deferred tax		15,476		16,580		24,633
Related deferred tax liability (note7(c))		(3,589)		(3,979)		(6,405)
Net pension asset		11,887		12,601		18,228

The overall expected long term rate of return on scheme assets is the weighted average of the long term expected rates of return for each individual asset class noted above

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

25. Pensions (continued)

Movements in the present value of defined benefit obligations were as follows

	2013 *£'000*	*2012* *£'000*
At 1 April	145,026	124,752
Current service costs	3,022	2,383
Interest cost	7,476	6,886
Contributions from scheme members	1,162	1,168
Actuarial losses	17,064	14,449
Benefits paid	(4,909)	(4,574)
Exchange difference	(33)	(38)
At 31 March	168,808	145,026

Movements in the fair value of scheme assets were as follows

	2013 *£'000*	*2012* *£'000*
At 1 April	161,606	149,385
Expected return on plan assets	10,558	10,331
Actuarial gains	12,751	2,063
Employer contributions	3,141	3,265
Member contributions	1,162	1,168
Benefits paid	(4,909)	(4,574)
Exchange difference	(25)	(32)
At 31 March	184,284	161,606

The difference between the Princes Limited company only net pension asset of £12,196,000 (2012 £12,833,000) and the Princes Limited group net pension asset of £11,887,000 (2012 £12,601,000) relates to the deficit on the Princes Tuna (Mauritius) Limited pension scheme The directors do not consider it necessary to include the full disclosure for the Princes Limited company-only position as the differences between the company and group balances are not significant

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

25. Pensions (continued)

Analysis of the amount charged to profit and loss account

	2013 *£'000*	*2012* *£'000*
Total operating charge	(3,022)	(2,383)

Analysis of net return on pension scheme

	2013 *£'000*	*2012* *£'000*
Expected return on pension scheme assets	10,558	10,331
Interest on pension scheme liabilities	(7,476)	(6,886)
Total other finance income	3,082	3,445

Analysis of amount recognised in the statement of total recognised gains and losses

	2013 *£'000*	*2012* *£'000*
Actual return less expected return on pension scheme assets	12,751	2,063
Experience gains / (losses)	8,461	(465)
Changes in assumptions underlying the present value of scheme liabilities	(25,525)	(13,984)
Actuarial loss recognised in the statement of total recognised gains and losses	(4,313)	(12,386)
Movement of deferred tax relating to actuarial loss	1,177	3,554
Total actuarial loss recognised in statement of total recognised gains and losses	(3,136)	(8,832)

The valuation at 31 March 2013 showed a decrease in the total surplus for the Princes schemes from £16,600,000 to £15,500,000 Normal employer contributions decreased from £3,300,000 to £3,100,000 The company expects to contribute £3,200,000 in 2013/14 in line with its agreement on contribution rates with the schemes' trustees

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

25. Pensions (continued)

History of experience gains and losses

	2013	*2012*	*2011*	*2010*	*2009*
Present value of scheme liabilities (£'000)	(168,808)	(145,025)	(124,752)	(121,940)	(84,631)
Fair value of scheme assets (£'000)	184,284	161,606	149,385	140,805	88,885
Surplus in the scheme (£'000)	15,476	16,581	24,633	18,865	4,254
Difference between expected return and actual return on pension scheme assets					
- Amount (£000)	12,751	2,063	(286)	24,837	(39,948)
- % of scheme assets	7%	1%	(0%)	18%	(45%)
Experience gains / (losses) arising on scheme liabilities					
- Amount (£000)	8,461	(465)	(857)	(5,176)	(1,569)
- % of the present value of scheme liabilities	5%	(0%)	(1%)	(4%)	(2%)
Total actuarial (loss)/gain recognised in the statement of total recognised gains and losses					
- Amount (£000)	(4,313)	(12,386)	2,231	(8,717)	(28,245)
- % of the present value of scheme liabilities	(3%)	(9%)	2%	(7%)	(32%)

The actual return on scheme assets was a gain of £23,309,000 (2012 gain of £12,394,000)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since the adoption of FRS 17 is a loss of £32,227,000 (2012 a loss of £27,914,000)

The group's Dutch subsidiary operates an insured retirement plan and a contributory retirement plan for eligible employees All pension costs are funded as incurred and the total cost for the year was £375,000 (2012 £344,000)

Contributions payable during the year in respect of defined contribution schemes were £3,323,000 (2012 £2,487,000)

26. Acquisition of subsidiary undertaking

On 2 May 2012, Princes Limited acquired for total consideration of £24,400,000, a 51% shareholding in Princes Industrie Alimentari Srl Acquisitions are accounted for under the acquisition method

The following table sets out the book value of the identifiable assets and liabilities acquired and their fair value to the group

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

26. Acquisition of subsidiary undertaking (continued)

	Book value £'000	*Accounting Policies Adjustments £'000*	*Fair value to Group £'000*
Fixed assets			
Intangible	2,229	(2,229)	-
Tangible	87,110	9,859	96,969
Current assets			
Stocks	55,455	-	55,455
Debtors	3,781	(1,298)	2,483
Total assets	148,575	6,332	154,907
Creditors			
Bank loans	91,466	7,217	98,683
Trade creditors	7,592	-	7,592
Other creditors	1,822	-	1,822
Provisions			
Taxation	2,981	(2,981)	-
Total liabilities	103,861	4,236	108,097
Net assets	44,714	2,096	46,810
Minority Interest			(22,937)
Goodwill arising on acquisition			571
			24,444
Satisfied by:			
Acquisition costs			1,587
Cash consideration			17,865
Deferred consideration (note 17)			4,992
Total consideration			24,444

The adjustments arose as a result of restating the book values of the assets acquired to their fair value according to Financial Reporting Standard 7 'Fair Values in Acquisition Accounting'

There have been no costs charged to the group profit and loss account in respect of costs incurred in reorganising, restructuring and integrating the acquisition in the period from 2 May 2012 to 31 March 2013

Summarised profit and loss account information prior to the acquisition is not available as the company was a newly incorporated entity

Notes to the Financial Statements (continued)

For the year ended 31 March 2013

27. Minority Interests

	£'000
At 1 April 2012	(13,682)
Profit on ordinary activities after taxation	(1,091)
Dividends Paid	2,555
Retranslation of subsidiary undertakings net assets	(1,388)
Acquisition of subsidiary undertaking	(22,937)
At 31 March 2013	(36,543)

28. Derivatives not included at fair value

As disclosed in the Directors' Report, it is the group's policy to use forward currency contracts to eliminate its currency exposures At 31 March 2013 the group had hedged the majority of its foreign currency commitments existing at that date (2012 same) The fair value of these derivatives at 31 March 2013 not included in the accounts was an asset of £10,196,000 (2012 liability of £6,556,000) The group had also hedged certain raw materials prices The fair value of these derivatives not included in the accounts at 31 March 2013 was a liability of £73,000 (2012 asset of £727,000)

29. Ultimate holding company and controlling party

The smallest group of which the company is a member and for which consolidated financial statements are drawn up is that headed by this company

The parent undertaking of the largest group of which the company is a member, and the ultimate controlling party, is the Mitsubishi Corporation, a company incorporated in Japan

Copies of the group accounts are available to the public from the following address

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2-Chome
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