

Solvecorp Limited

Report and Financial Statements

For the 52 Weeks Ended

31 December 2016

FRIDAY



A6EIKYDV

A18

08/09/2017

#35

COMPANIES HOUSE

Strategic report

The directors present their strategic report and accounts for the 52 week period ended 31 December 2016.

The Company is preparing its accounts under FRS 101 "Reduced Disclosure Framework" and has taken advantage of the disclosure exemptions allowed under this standard. The Company's ultimate parent undertaking in the UK, Pladis Foods Limited, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions.

Principal activity, review of the business, future developments and going concern

The principal activity of the Company was to act as an investment holding company for the Pladis Foods Limited Group ("Group"). No change in this activity is intended in the foreseeable future.

The profit after taxation for the 52 weeks ended 31 December 2016 amounted to £0.3m (52 weeks ended 2 January 2016 profit £0.3m).

At the balance sheet date Solvecorp Limited had net liabilities of £282.2m (2 January 2016 – net liabilities of £282.5m).

The Company is reliant upon the provision of financial support by Pladis Foods Limited, a parent undertaking of the Company, to assist the Company in meeting its liabilities as and when they fall due. Pladis Foods Limited has confirmed its intention to provide such financial support as necessary to the company to enable it to meet its liabilities as they fall due for a minimum period of twelve months from the date of these financial statements. Accordingly, the directors, having evaluated the letter of financial support received from Pladis Foods Limited and its ability to provide such support, consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Full details of the performance of the Pladis Foods Limited Group are set out in the report and financial statements of Pladis Foods Limited, copies of which may be obtained from its registered office: Hayes Park, Hayes End Road, Hayes, Middlesex UB4 8EE.

Principal risks and uncertainties

The Company's principal risks and uncertainties relate to its subsidiaries which manufacture and sell a range of food products, principally biscuits and savoury snacks. Risks and uncertainties facing the Company's subsidiaries, if not adequately managed, could reduce or eliminate the availability of profits for distribution to the Company, the ability of the Company to repay its creditors could be adversely affected, and amounts due to the Company from subsidiaries may not be recoverable, in full or in part.

The key risks to which the Company is exposed, through its subsidiaries, are summarised as follows:

- The Company's strategy is to increase the cash flow and profitability of subsidiary undertakings by implementing initiatives aimed at achieving cost savings and generating profitable branded growth. If unsuccessful, the Pladis Foods Limited group of which the Company is a part may be unable to comply with the financial covenants under the senior facilities agreement.
- The subsidiary undertakings of the Company operate in highly competitive markets, and their failure to compete effectively might adversely affect the results of their operations. They compete primarily on the strength of their brands, the quality of their products, product innovation and price. Their ability to compete effectively requires continuous efforts in sales and marketing of its existing products, developing new products and cost rationalisation.
- Expenditures increasing without a commensurate increase in revenues of the subsidiary undertakings, and rapid changes in market conditions, could result in poor operating results.

- The average selling prices of United Biscuit products could decrease rapidly, which may negatively impact revenues and gross margins.
- The ability of the subsidiary undertakings to pass increases in raw materials and energy costs on to their customers could adversely affect the results of operations. Many of their raw materials and energy costs are volatile and supplies are affected by government policies, the actions of its suppliers, currency movements, political upheavals and natural disasters. Consequently, unexpected increases in raw material and energy costs or a material or prolonged supply disruption could adversely affect the results of the subsidiary undertakings and therefore the carrying value of investments within Solvecorp Limited and the recoverability of amounts due from group companies.

The risks described above are managed within the wider Pladis Foods Limited group rather than at a legal entity level. Further details of such risk management are set out in the annual report and financial statements of Pladis Foods Limited.

Financial risk management objectives and policies

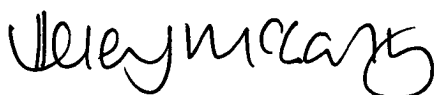
Financial risk management objectives and policies are established for the Group and not by legal entity. Further details of these objectives and policies are set out in the annual report and financial statements of Pladis Foods Limited.

The Company's primary financial risk management objective is to monitor the operating results of subsidiary undertakings as this may impact the carrying value of the Company's investments in subsidiary undertakings and the recoverability of amounts due from group companies. Other objectives include monitoring its cash flow to ensure it can meet its obligations as they fall due.

Key performance indicators

As the Company is a holding company for certain trading entities of the Group, the Company's directors believe that further key performance indicators from those discussed above are not necessary or appropriate for an understanding of the development or position of the business.

On behalf of the board



Helen McCarthy - Director

17 August 2017

Registered Office: Hayes Park, Hayes End Road, Hayes, Middlesex UB4 8EE

Directors' report

The directors present their annual report and the accounts for the 52 weeks ended 31 December 2016. The Company has chosen, in accordance with section 414C(11) of Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic report which otherwise would be required to be disclosed in the Directors' report, including future developments and financial risk management objectives and policies.

Results and dividends

The profit for the period is shown in the Income Statement on page 8. No dividend was paid or proposed during the current or prior period.

Directors

The directors who served during the period and subsequently (unless otherwise indicated) were:

Name	Date of appointment
Helen McCarthy	
Simon Alan Rose	15 December 2006
Mark Oldham*	15 December 2006

*Mark Oldham served as Company Secretary for the financial year ended 31 December 2016.

Directors' interests

No director had interests in the share capital of either the Company or other UK registered Group companies. No director had, during the period or at the end of the period, any material interest in any contract of significance to the Company's business. During the period the Company maintained liability insurance for its directors and officers.

Auditors

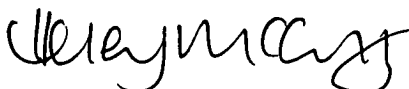
A resolution to re-appoint Deloitte LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

Directors' statement as to disclosure of information to auditors

The directors confirm that, in the case of each person who is a director at the time when the directors' report is approved, as far as each director is aware, there is no relevant audit information of which the auditor is unaware and that directors have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

On behalf of the board



Helen McCarthy - Director

17 August 2017

Registered Office: Hayes Park, Hayes End Road, Hayes, Middlesex UB4 8EE

Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 101 "Reduced Disclosure Framework"). 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not 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.

Independent Auditor's Report to the Members of Solvecorp Limited

We have audited the financial statements of Solvecorp Limited for the 52 week period ended 31 December 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 12. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by 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 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Independent Auditor's Report to the Members of Solvecorp Limited (continued)

Matters on which we are required to report by exception

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

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



Hadleigh Shekle FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

17 August 2017

Solvecorp Limited

Income Statement

For 52 weeks ended 31 December 2016

	Note	2016 £'000	2015 (Restated) £'000
Interest receivable and other financial income	5	281	272
Profit on ordinary activities before tax		281	272
Tax charge on loss on ordinary activities	6	-	-
Profit for the financial year		281	272

All amounts relate to continuing activities.

Solvecorp Limited

Statement of Comprehensive Income

For 52 weeks ended 31 December 2016

	Note	2016 £'000	2015 (Restated) £'000
Profit for the financial year	5	281	272
Total comprehensive income for the year		281	272

Solvecorp Limited

Balance Sheet

As at 31 December 2016

	Note	2016 £'000	2015 (Restated) £'000
Fixed assets			
Investments	7	452,007	451,726
Current assets			
Debtors: amounts owed by Group undertakings due within one year	8	12,538	12,538
Liabilities: amounts falling due in less than one year			
Amounts due to Group undertakings: payable on demand	9	(746,806)	(746,806)
Net current liabilities		<u>(734,268)</u>	<u>(734,268)</u>
Net liabilities		<u>(282,261)</u>	<u>(282,542)</u>
Capital and reserves			
Called up share capital	10	49,410	49,410
Merger reserve		97,600	97,600
Retained earnings		(429,271)	(429,552)
Total equity		<u>(282,261)</u>	<u>(282,542)</u>

The financial statements of Solvecorp Limited (registered number 3876059) were approved by the Board and signed on its behalf on 17 August 2017.



Helen McCarthy - Director

Solvecorp Limited

Statement of Changes in Equity

	Share Capital £'000	Merger Reserve £'000	Retained Earnings £'000	Total Equity £'000
At 3 January 2015 (as previously stated)	49,410	97,600	(431,407)	(284,397)
Prior year adjustment in respect of preference shares (note 2)	-	-	1,583	1,583
At 3 January 2015 (as restated)	49,410	97,600	(429,824)	(282,814)
Profit for the year	-	-	272	272
At 2 January 2016	49,410	97,600	(429,552)	(282,542)
Profit for the year	-	-	281	281
At 31 December 2016	49,410	97,600	(429,271)	(282,261)

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Solvecorp Limited (the "Company") for the 52 week period ended 31 December 2016 were authorised for issue by the board of directors on 17 August 2017 and the balance sheet was signed on the board's behalf by Helen McCarthy. The Company is a private company limited by shares and is registered in England and Wales. Its registered office is stated on page 2.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates and are rounded to the nearest £0.1m.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Pladis Foods Limited.

The results of Solvecorp Limited are included in the consolidated financial statements of Pladis Foods Limited which are available from Pladis Foods, Hayes End Road, Hayes, UB4 8EE.

The principal accounting policies adopted by the Company are set out in note 2.

2 Accounting policies

Basis of preparation

The financial statements are prepared on the historical cost basis of accounting, modified to include revaluation to fair value of certain financial instruments as outlined below, and in accordance with applicable accounting standards.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis.

The Company is exempt from producing group financial statements, under s400 of the Companies Act 2006 as it is part of the Pladis Foods Limited group of companies and Pladis Foods Limited has produced group financial statements for the period from 3 January 2016 to 31 December 2016. These financial statements solely relate to Solvecorp Limited and not its group.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirement to disclose new accounting standards not yet effective;
- b) the requirement of IFRS 7 Financial Instruments: Disclosures;
- c) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement;
- d) the requirements of paragraphs 10(d), 10(f) and 134 -136 of IAS 1 Presentation of Financial Statements;
- e) the requirements of IAS 7 Statement of Cash Flows;
- f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- g) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transactions is wholly owned by such a member.

Where relevant, equivalent disclosures have been given in the group accounts of Pladis Foods Limited.

2 Accounting policies (continued)

Adoption of new and revised Standards**Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year**

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. This includes the amendments to IAS 1 Disclosure Initiative, IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation, IAS 27 Equity Method in Separate Financial Statements and Annual Improvements to IFRSs 2012-2014 Cycle. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Interest expense

Interest expense is recognised as it accrues on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Taxation

The tax currently receivable/payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's asset/liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Investments

Investments in the ordinary share capital of subsidiaries are stated at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate adjustment is made.

Investments in preference shares issued by subsidiaries are recorded as a loan and receivable financial asset in accordance with the accounting policy set out on page 14.

Foreign currency translations

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2 Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial assets

Receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. All of the company's financial assets are classified as loans and receivables.

Financial assets are de-recognised only where the contractual rights to the cash flows from the asset expire or are settled; or if the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity; or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs.

All of the company's financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Critical accounting judgements and key sources of estimation uncertainty

In the Directors opinion, there are no critical accounting judgements or key sources of estimation uncertainty in the financial statements.

Solvecorp Limited

2 Accounting policies (continued)

Restatement

The Company has restated the reported amounts for the prior period for the following:

- The preference shares issued by Runecorp Limited and held by the Company (see note 7) pay an annual dividend unless redeemed by Runecorp Limited, subject to the availability of distributable reserves. Previously the debtor component of these preference shares was included within current liabilities: amounts due to group undertakings payable on demand and current assets: amounts owed by Group undertakings. The prior period has been restated to include these amounts within fixed asset investments.
- As a result of the restriction requiring Runecorp Limited to have distributable reserves to pay dividends, Runecorp Limited has never paid dividends on these preference shares. However, the Company had recorded the accrued income for the outstanding preference dividends for only 10 years of the 15 years that the preference shares have been in issue, and had not taken into account its right to the additional interest on the unpaid dividends (see note 7). As a result the amortised cost carrying value of the preference shares has been restated.

	2015 (as reported) £'000	Adj. 1 £'000	Adj. 2 £'000	2015 (restated) £'000
Fixed assets				
Investments	446,271	3,750	1,705	451,726
Current assets				
Debtors: amounts owed by Group undertakings due within one year	13,888	(1,350)	-	12,538
Total current assets	13,888	(1,350)	-	12,538
Current liabilities				
Amounts due to group undertakings payable on demand	(744,406)	(2,400)	-	(746,806)
Net current liabilities	(730,518)	(3,750)	-	(734,268)
Net liabilities at 2 January 2016	(284,247)	-	1,705	(282,542)
Retained earnings at 3 January 2015	431,407	-	(1,583)	429,824
Retained earnings at 2 January 2016	431,257		(1,705)	429,552
Total equity at 2 January 2016	284,247	-	(1,705)	282,542
Interest income and other financial income	150	-	122	272

3 Operating loss

The auditor's remuneration for the audit of the Company's annual accounts is borne by another group company, United Biscuits (UK) Limited and amounted to £2,000.

4 Directors' emoluments and staff costs

Directors' emoluments

The directors' of the Company were paid by United Biscuits (UK) Limited by whom they are employed. The directors received no remuneration in respect of qualifying services to the subsidiary company.

The Company, as an investment holding company, has no employees.

5 Financial income and expenses

	2016 £'000	2015 (restated) £'000
Interest income from fellow subsidiary undertakings	281	272
	<u>281</u>	<u>272</u>

6 Tax on profit on ordinary activities

The tax charge is on profit from ordinary activities for the year. Any differences from the standard rate of Corporation tax in the UK of 20.0% (2015 – 20.25%) is reconciled below:

	2016 £'000	2015 (restated) £'000
Accounting profit before income tax	281	272
Tax calculated at UK Statutory rate of 20% (2015: 20.25%)	56	55
UK transfer pricing adjustment	(5,856)	(8,291)
Group relief surrendered for nil consideration	5,800	8,236
Total tax expense reported in the income statement	<u>-</u>	<u>-</u>

The Company has tax losses which arose in the UK of approximately £21 million (2015: £21 million) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as there is uncertainty over the recoverability.

Solvecorp Limited

7 Fixed assets

(a) Investments in subsidiary undertakings:

	2016 £'000	2015 (Restated) £'000
Investments in the ordinary share capital of subsidiaries	446,271	446,271
Investments in preference share capital of subsidiaries	5,736	5,455
	<u>452,007</u>	<u>451,726</u>

The investment is a 100% ownership in Runecorp Limited, a company incorporated in England with the principal activity of investment holding. The other companies mentioned below are indirect holdings.

Subsidiary	Country of incorporation and Operation	Registered Address	Activity
Burlington Biscuits (Cayman) Ltd	Cayman Island	190 Elgin Avenue, George Town Grand Cayman KY1-9005	Holding Company
United Biscuits Finance Ltd	England	Hayes Park, Hayes End Road, Hayes, Middlesex, London UB4 8EE	Holding Company

In addition to the investment in the ordinary share capital of Runecorp Limited, the Company holds 14,990,000 £1 preference shares issued by Runecorp Limited.

The preference shares are compound financial instruments under IAS32 *Financial Instruments: Presentation*. The Company's holding of preference shares was initially recognised at fair value of £2,400,000 and subsequently measured at amortised cost within Debtors: amounts due from group undertakings due in more than one year. The remaining amount paid on subscription for the preference shares of £12,590,000 is recognised in investments in the ordinary share capital of subsidiaries.

The preference shares, which were issued at par in July 2001, are redeemable at the par amount of £14,990,000 at the discretion of the directors of Runecorp Limited upon giving at least 5 business days' notice in writing to the Company or on winding up of Runecorp Limited. They carry a mandatory dividend of 1% per annum, payable yearly in arrears on the anniversary of the date of first issue of the Preference Shares in each year until redemption. The preference dividend is paid only when Runecorp Limited has sufficient retained earnings. Additional interest accrues at 6% on any unpaid dividends, with all outstanding dividends and interest payable when Runecorp Limited has sufficient retained earnings or on winding up. £3,336,000 of the investment in preference share capital of subsidiaries (2015: £3,055,000) represents accrued dividend and interest income on the preference shares to which the Company has an immediate right in the event that Runecorp Limited retains sufficient earnings.

The preference shares carry no voting rights at meetings. On a winding up of Runecorp Limited, the Company has a right to receive, in preference to the ordinary shareholders in Runecorp Limited, £1 per share plus any accrued dividend.

8 Debtors

	2016 £'000	2015 (Restated) £'000
Amounts due from group undertakings due within one year	<u>12,538</u>	<u>12,538</u>
	<u>12,538</u>	<u>12,538</u>

Solvecorp Limited

9 Creditors

	2016 £'000	2015 (Restated) £'000
Amounts due to group undertakings	746,806	746,806

10 Authorised, issued and called up share capital

	Number '000	Ordinary Shares (1) £'000
Ordinary share capital		
Authorised		
As at 31 December 2016 and 2 January 2016:	50,000	50,000
Issued, called up and fully paid		
As at 31 December 2016 and 2 January 2016	49,410	49,410

(1) Represents authorised, issued, called up and fully paid ordinary shares of £1 each.

11 Events after the balance sheet date

No significant event has taken place after the balance sheet date.

12 Ultimate parent company

At both 31 December 2016 and 2 January 2016, the company's immediate parent company was Deluxestar Limited, a company incorporated in the UK. Its ultimate parent company was Yildiz Holdings, A.S., a company incorporated in Turkey whose registered office is Kısıklı Mahallesi Ferah Caddesi No:1 34692 Büyük Çamlıca, İstanbul, Turkey.

For results for the 52 weeks ended 31 December 2016 the largest group in which the Company's financial statements are included is Yildiz Holdings A.S. and the smallest group is Pladis Foods Limited.