

Registered Number 04067712

Cend Limited

Annual report and financial statements for the year
ended 31 December 2016

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Cend Limited

Annual Report and financial statements for the year ended 31 December 2016

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Cend Limited

Directors and advisors

Directors

J A Gallemore
J P Pochin

Company secretary

J P Pochin

Auditors

Ernst & Young LLP
2 St. Peter's Square
Manchester
M2 3EY

Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

HSBC
8 Canada Square
Canary Wharf
London
E14 5HQ

Bank of Ireland (UK) Plc
Bow Bells House
1 Bread Street
London
EC4M 9BE

Santander UK Plc
2 Triton Square
Regent's Place
London
NW1 3AN

The Royal Bank Of Scotland Plc
36 St Andrew Square
Edinburgh
EH2 2YB

Silicon Valley Bank
Alphabeta
14-18 Finsbury Square
London
EC2A 1BR

Registered office

Meridian House
Gadbrook Park
Rudheath
Northwich
Cheshire
CW9 7RA

Cend Limited

Strategic Report for the year ended 31 December 2016

The Directors present their Strategic Report for Cend Limited for the year ended 31 December 2016.

Principal activities

The principal activities of Cend Limited during the year were the production and supply of specialist sports nutrition supplements and vitamins to The Hut.com Limited.

The Company is domiciled in the United Kingdom.

Trading performance

Revenue increased during the year, up 35% to £96.7m from £71.8m in the prior year. The increase was predominantly driven by continued growth in the MyProtein business during the year.

The gross profit margin for the Company of 4.5% (2015: 5.0%) was in line with management's expectations.

Administrative costs decreased by 21% to £0.5m, which reflects the efficient nature of the operating model, even as the Business grows.

Principal risks and uncertainties

The execution of the Company's strategy and the management of its business are subject to a number of risks and uncertainties. The principal risks and uncertainties include: supply chain risk and employee hiring and retention.

Significant effort is placed on working with suppliers to manage the potential risk of interruptions and delays in supply or distribution that may adversely impact on trade. The Company has multiple delivery routes and options, and uses multiple delivery service providers, to reduce the level of dependency on any single provider. There is continuous monitoring of service levels and warehouse handling to ensure goods are delivered in a timely manner. All products are on relatively short lead times, with a steady flow of products into the warehouse, enabling supply chain to be diverted to alternative locations if necessary within a manageable time frame.

The Company is able to attract and retain high calibre employees through a combination of competitive basic salaries and performance based bonuses coupled with share option schemes, which are open to individuals at every executive level in the business.

Financial risk management objectives and policies

Senior management are aware of their responsibility for managing risks within their business units. The head of each business unit reports to the Board on the status of these risks through management reports. Risk is regularly reviewed at board level to ensure that risk management is being implemented and monitored effectively

The Board's policy is to ensure that the business units are empowered to operate effectively and appropriately, bearing in mind the requirements for timely decision making and commercial reality. Through management reports, risks are highlighted and monitored to identify potential business risk areas and to quantify and address the risk wherever possible.

Commercial and general risk

Standard form contracts are provided by the Business' in-house legal team for commercial use and to ensure the commercial functions negotiate within approved parameters. Insurance policies are regularly reviewed to ensure these are adequate, appropriate and in line with the nature, size and complexity of the business.

Cend Limited

Strategic Report for the year ended 31 December 2016 (continued)

Financial risk management

The Company's operations involve exposure to credit risk, liquidity risk, currency risk and material price rise risk. The Board's policies for managing these financial risks are implemented by the Chief Financial Officer.

Credit risk

Given the Company's only customer is a group company the level of credit risk is considered low. The maximum credit risk exposure is represented by the carrying value as at the statement of financial position date (see note 11).

Liquidity risk

The Company regularly forecasts cash flow and maintains an appropriate balance of cash and debt facilities to ensure that sufficient funds are available from trading to cover future expenses and capital expenditure.

Currency risk

Certain key suppliers invoice in Euros and US dollars. The Company aims to naturally hedge these transactions and where appropriate uses financial instruments in the form of foreign currency swaps to hedge future currency cash flows. It was noted that the fair value of foreign currency swaps outstanding at the statement of financial position date is not material to the financial statements.

Material price rise risk

The Company has sensitivity to some raw material costs. To mitigate this risk, the Company has secured contracts with several suppliers to manage both price and demand in line with forecast

2017 Outlook and post balance sheet events

Trading in 2017 has been in line with expectations with significant continued revenue and earnings growth. The trading performance has been broad based with a continued expansion in the own brand revenue mix.

By order of the Board



J P Pochin
Company secretary
14 September 2017

Cend Limited

Directors' Report for the year ended 31 December 2016

The Directors present their report with the audited financial statements of Cend Limited for the year ended 31 December 2016.

Directors

The Directors who held office during the year and up to the date of signing the financial statements are given below:

J A Gallemore
J P Pochin

The ultimate holding company is The Hut Group Limited, a company registered in England and Wales, in which the Directors hold direct interests as discussed in the financial statements of that company.

Directors' qualifying third party and pension indemnity provisions

There were no qualifying third party and pension indemnity provisions during the year or in place at the year end.

Going concern

The Board has received assurance of ongoing support from the Company's ultimate parent company, The Hut Group Limited, and on the basis of projections and current operating levels believe that adequate finance is in place to allow the Company to continue to trade for at least 12 months from the date of signing the financial statements. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework 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 reasonable steps for the prevention and detection of fraud and other irregularities.

Cend Limited

Directors' Report for the year ended 31 December 2016 (continued)

Disclosure of information to auditors

For all persons who are directors at the time of approval of the Annual Report:

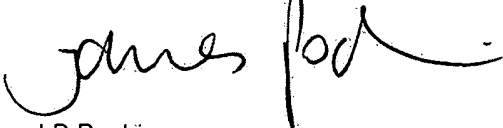
- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Auditors

Ernst & Young LLP have expressed their willingness to continue in office in accordance with section 487(2) of the Companies Act 2006.

By order of the Board:

A handwritten signature in black ink, appearing to read 'James Pochin', written over a horizontal line.

J P Pochin
Company secretary
14 September 2017

Independent Auditors' Report to the Members of Cend Limited for the year ended 31 December 2016

We have audited the financial statements of Cend Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16. 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 statement of directors' responsibilities set out on page 5 and 6, 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 year 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.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent Auditors' Report to the Members of Cend Limited for the year ended 31 December 2016 (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.



Alastair John Richard Nuttall (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

25 September 2017

Cend Limited

Statement of Comprehensive Income for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Revenue	2	96,726	71,848
Cost of sales		(92,354)	(68,235)
Gross profit		4,372	3,613
Distribution costs		(23)	(78)
Administrative costs		(552)	(701)
Operating profit		3,797	2,834
Adjusted EBITDA*		3,797	3,125
Depreciation	9	-	(266)
Operating profit before exceptional items		3,797	2,859
Exceptional items	4	-	(25)
Operating profit		3,797	2,834
Finance costs	7	-	(9)
Profit before taxation		3,797	2,825
Tax charge	8	(772)	(601)
Profit and total comprehensive income for the financial year		3,025	2,224

*Adjusted EBITDA is defined as operating profit before depreciation and exceptional items.

The profit on ordinary activities before taxation derives entirely from continuing activities.


There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

Cend Limited

Statement of Financial Position as at 31 December 2016

	Note	2016 £'000	2015 £'000
Current assets			
Inventories	10	8,796	5,764
Trade and other receivables	11	44,520	31,928
Cash and cash equivalents		48	290
		53,364	37,982
Creditors: amounts falling due within one year	12	(37,717)	(25,360)
Net assets		15,647	12,622
Equity			
Ordinary shares		-	-
Retained earnings		15,647	12,622
Total equity		15,647	12,622

The financial statements on pages 9 to 19 were approved by the Board of Directors on 14 September 2017 and were signed on its behalf by:


J A Gallimore
Director
Registered number: 04067712

Cend Limited

Statement of Changes in Equity for the year ended 31 December 2016

	Ordinary shares £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2015	-	10,398	10,398
Total comprehensive income for the year	-	2,224	2,224
Balance at 31 December 2015	-	12,622	12,622
Balance at 1 January 2016	-	12,622	12,622
Total comprehensive income for the year	-	3,025	3,025
Balance at 31 December 2016	-	15,647	15,647

There were 202 (2015: 202) Ordinary shares of £1 each that were allotted, called up and fully paid totalling £202 (2015: £202).

Cend Limited

Notes to the financial statements for the year ended 31 December 2016

1. Accounting policies

The financial statements of Cend Limited were prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Cend Limited is a private limited company, limited by shares, and it is domiciled and incorporated in England and Wales. The Company's registered address is Meridian House Gadbrook Way, Gadbrook Park, Rudheath, Northwich, Cheshire, CW9 7RA.

a. Basis of preparing the financial statements

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2016.

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

- i) The requirements of IAS 7 Statement of Cash Flows.
- ii) The requirements of IAS24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.
- iii) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect paragraph 73(e) of IAS 16 Property, Plant and Equipment
- iv) The requirements of IFRS 7 Financial Instruments: Disclosures
- v) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

b. Going concern

The Board have received assurances of ongoing support from the Company's ultimate holding company, The Hut Group Limited, and on the basis of projections and current operating levels believe that adequate finance is in place to allow the Company to continue to trade in the foreseeable future and pay its debts as they fall due. The Company is party to group banking facilities under which it and other subsidiaries have provided a cross guarantee, secured over the assets of the Company. The Directors have therefore concluded that it is appropriate to continue to prepare the financial statements on the going concern basis

c. Accounting convention

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

d. Cash flow statement

The Company is included in the consolidated financial statements of The Hut Group Limited which are publicly available. Consequently, the Company has taken advantage of the exemption under FRS 101 paragraph 8(h) not to prepare a cash flow statement

e. Revenue

Revenue consists of intercompany sales to group subsidiaries. Revenue consists of the fair value of consideration received or receivable for the sale of goods in the ordinary course of the Company activities. Revenue is shown gross as intercompany sales are outside the scope for value added tax purposes.

Cend Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1. Accounting policies (continued)

f. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided over the following estimated economic lives in order to write off each asset on a straight line basis:

Plant and machinery	- 3 to 5 years
Fixtures and fittings	- 3 to 5 years
Computer equipment and software	- 3 years
Leasehold buildings	- 5 years

g. Inventory

Inventory is valued at the lower of cost and net realisable value, on a weighted average cost basis. Cost of purchase comprises the purchase price including import duties and other taxes, transport and handling costs and any other directly attributable costs, less trade discounts.

A provision is made to write down any slow-moving or obsolete stock to net realisable value.

h. Operating leases

Payments made under operating leases, net of any incentives received from the lessor, are charged to the income statement on a straight line basis over the period of the lease.

i. Pension costs and other post-retirement benefits

The Company operated a defined contribution pension scheme in both the current and prior year. The amount charged to the income statement represents the contributions payable to the scheme in the accounting year.

j. Exceptional items

The Company treats certain items which are considered to be one-off, material and not representative of the underlying trading of the Company as exceptional in nature. The Directors apply judgement in assessing the particular items, which by virtue of their scale and nature should be classified as exceptional items. The Directors consider that separate disclosure of these items is relevant to an understanding of the Company's financial performance.

k. Taxation

UK Corporation 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 statement of financial position date.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the statement of financial position 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 statement of financial position date.

Temporary differences are differences between the tax bases of assets and liabilities and their carrying amounts within the financial statements.

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

Cend Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1. Accounting policies (continued)

k. Taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the temporary differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is measured on a non-discounted basis.

l. Financial instruments

Trade and other receivables

Trade and other receivables are non-interest bearing and are initially recognised at fair value. Subsequently they are measured at amortised cost using the effective interest rate method less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Financial liabilities and equity instruments

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at amortised cost. The Company has no financial liabilities at fair value through profit and loss and has no derivatives designated as hedging instruments.

Equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities

Trade and other creditors

Trade and other creditors are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial assets

Financial assets within the scope of IAS 39 are classified as loans and receivables.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign currency swaps, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Derivatives are not designated as hedges and accordingly, any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement.

Cend Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1. Accounting policies (continued)

m. Significant estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on the financial statements at the time such updated information becomes available.

The only significant judgements in preparing the financial statements were in relation to the classification of exceptional items.

The Company separately identifies and discloses significant one-off or unusual items which can have a material impact on the absolute amount of profit from operations and the result for the year. These are termed 'exceptional items' and are disclosed separately in the Statement of Comprehensive Income in order to provide an understanding of the Company's underlying financial performance. Exceptional items are judgemental in their nature and may not be comparable to similarly titled measures used by other Companies. Further details of the exceptional items are provided in note 4.

n. Foreign currency translation

Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Company financial statements are presented in sterling, which is the functional and presentational currency of the Company.

2. Revenue

	2016 £'000	2015 £'000
UK	96,726	71,848

Geographical analysis is based on the country in which the customer is located. Total revenue above relates exclusively to the sale of goods.

3. Operating profit

	Note	2016 £'000	2015 £'000
Operating profit has been arrived at after charging:			
Employee costs		6,595	3,835
Depreciation	9	-	266
Operating lease rentals :			
Land and buildings		857	777

Cend Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

4. Exceptional items

	2016 £'000	2015 £'000
Integration of acquisitions and dual running costs	-	25

The exceptional costs incurred during the year and included within administrative expenses relate primarily to reorganisation costs. The tax effect of the exceptional items for the current year is £nil (2015: £5k).

5. Auditors remuneration

The total audit fee for the Company is £7,500 (2015: £7,500).

6. Employee costs and directors remuneration

	2016 £'000	2015 £'000
Wages and salaries	6,006	3,484
Social security costs	551	333
Pension costs	38	18
	6,595	3,835

Pension costs are payable as part of a defined contribution pension scheme – see note 14 for further information on pension commitments.

The Directors did not receive any emoluments in respect of their services (2015: £nil) and are remunerated through other group companies.

The average number of employees (including executive directors) during the year was 251 (2015: 169).

7. Finance costs

	2016 £'000	2015 £'000
Bank interest payable and charges	-	9

Cend Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

8. Taxation

	2016 £'000	2015 £'000
Current tax		
Tax charge for the year	749	612
Adjustments in respect of prior year	-	7
	749	619
Deferred tax		
Origination and reversal of temporary differences	-	(29)
Change in tax rates	23	11
	23	(18)
Total income tax charge	772	601

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate as follows:

	2016 £'000	2015 £'000
Profit before tax	3,797	2,825
Profit before tax at 20.00% (2015: 20.25%)	759	572
Tax effects of:		
Adjustments in respect of prior year	-	7
Expenses not deductible	10	(19)
Accelerated capital allowances	(20)	29
Effect of change in tax rate	23	12
	772	601

The standard rate of Corporation Tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 20% and at an effective tax rate of 20.25% for 2015. The reduction of the main rate of Corporation Tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020 was included within the Summer Finance Bill 2015, which was substantively enacted on 26 October 2015. Future profits will be taxed at the appropriate rate. Deferred tax as at 31 December 2016 has been calculated at 17% (2015: 18%); the future enacted rate at which the timing differences are expected to reverse.

Cend Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

9. Property, plant and equipment

	Plant and machinery £'000	Fixtures and fittings £'000	Computer equipment and software £'000	Leasehold buildings £'000	Total £'000
Cost					
At 1 January 2016	523	44	251	121	939
At 31 December 2016	523	44	251	121	939
Accumulated depreciation					
At 1 January 2016	523	44	251	121	939
At 31 December 2016	523	44	251	121	939
Net book amount					
At 31 December 2015	-	-	-	-	-
At 31 December 2016	-	-	-	-	-

10. Inventories

	2016 £'000	2015 £'000
Raw materials and consumables	8,796	5,764

The cost of inventories recognised as an expense and included in cost of sales amounted to £92.4m (2015: £68.2m).

11. Trade and other receivables

	2016 £'000	2015 £'000
Deferred tax asset	79	102
Amount owed by group undertakings	43,793	31,520
Other debtors	648	306
	44,520	31,928

Amounts owed by group undertakings are unsecured, non-interest bearing and are repayable on demand.

There are no unrecognised deferred tax assets. The deferred tax asset comprises of decelerated capital allowances. The credit to the income statement in the current year was £23,000 (2015: charge of £18,000)

Cend Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

12. Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	30,867	22,938
Accruals and deferred income	5,074	1,528
Corporation tax	749	692
Amount owed to group undertakings	1,027	190
Other creditors	-	12
	37,717	25,360

Amounts payable to group undertakings are unsecured, non-interest bearing and are repayable on demand.

13. Operating leases

At 31 December 2016 the Company had future aggregate minimum lease payments under non-cancellable operating leases expiring as follows:

	Land and buildings 2016 £'000	Land and buildings 2015 £'000
Within one year	-	781

14. Pension commitments

The Company operates a defined contribution pension scheme. The scheme is managed by independent fund managers and its assets/liabilities are held separately from that of the Company. The pension charge represents the amount paid by the Company and amounted to £38k. There were no outstanding contributions to the fund as at the year end.

15. Ultimate parent company

The immediate parent undertaking is The Hut IHC Limited.

The ultimate parent undertaking and controlling party is The Hut Group Limited, a company incorporated in England and Wales.

The Hut Group Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2016. The consolidated financial statements of The Hut Group Limited are available from Meridian House, Gadbrook Way, Gadbrook Park, Rudheath, Northwich, Cheshire, CW9 7RA.

16. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.