

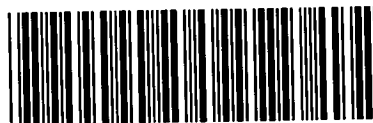
2 SISTERS RED MEAT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 1 AUGUST 2015

REGISTERED NO. SC440783

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2 SISTERS RED MEAT LIMITED

DIRECTORS AND PROFESSIONAL ADVISORS

Directors

R S Boparan
G W Davies (Appointed 24 August 2015)
S P Leadbeater
D S Morgan (Appointed 23 March 2015; resigned 24 August 2015)

Registered office

George Street
Coupar Angus
Blairgowrie
Perthshire
Scotland
PH13 9LU

Bankers

Barclays Bank plc
1 Park Row
Leeds
LS1 6PU

BNP Paribas UK Ltd
10 Harewood Avenue
London
NW1 6AA

Goldman Sachs Bank USA
200 West Street
New York
NY 10282

HSBC Bank plc
8 Canada Square
London
E14 5HQ

JPMorgan Chase Bank
25 Bank Street
London
E14 5JP

The Royal Bank of Scotland plc
2 Whitehall Quay
Leeds
LS1 4HR

Independent auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
1 City Square, Park Row
Leeds
LS1 2AL

2 SISTERS RED MEAT LIMITED

STRATEGIC REPORT

The directors present the strategic report for the Company for the 52 week period ended 1 August 2015.

Business overview and principal activities

2 Sisters Red Meat Limited ("the Company") is a wholly owned subsidiary of the group headed by Boparan Holdings Limited ("the Group").

The principal activity of the Company during the period was the processing of red meat products. There have not been any significant changes in the Company's principal activities in the period under review or post period end.

The Company has made a profit for the 52 week period ended 1 August 2015 of £10,371,000 (2014: loss £1,092,000) this is shown in the profit and loss account on page 8.

Trading performance and key performance indicators

The Group monitors all key performance indicators (KPIs) on a divisional basis. Selected Group KPIs relevant for the Company have been calculated as follows:

	52 weeks ended 1 August 2015 £'000	53 weeks ended 2 August 2014 £'000
Turnover	493,637	495,777
Gross profit margin	9.6%	7.7%
Pre-exceptional operating profit	11,904	2,022
Profit / (loss) before taxation	10,350	(1,406)

Gross margin is higher than prior period at 9.6% (2014: 7.7%), reflecting the business becoming further integrated into the Boparan Holdings Group and rationalisation initiatives being implemented.

The Company generated a higher profit before taxation in the current period at £10,350,000 compared with the prior period (2014: loss of £1,406,000), further reflecting the success of the integration of the business into the Group.

Further information on the Group's KPIs is disclosed in the Group's annual report which does not form part of this report.

Principal risks and financial risk management

The Company's main customers are the UK's leading supermarkets, and the strength of these customers, combined with competitive pressure in the industry, represent continuing risks which could result in lost sales to key competitors and future uncertainties on the Company's revenues and profits.

The Company seeks to manage the risks presented by its consolidated customer base, and the highly competitive environment that characterises the industry, through its strategy of pursuing a competitive high service and quality / low cost model targeted across a portfolio of categories where it has good market positions.

2 SISTERS RED MEAT LIMITED

STRATEGIC REPORT (continued)

Principal risks and financial risk management (continued)

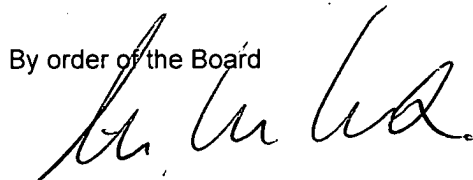
The Company's principal financial instruments comprise trading intercompany balances, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The Company's customers have favourable credit ratings and the credit risk on trade debtors is managed through regular monitoring of overdue amounts and review of customer credit limits. The Company is financed by inter group loans from its parent company and so does not have any exposure to external financing.

Further risks, such as those relating to changes in consumer trends, food safety and exposure to price and supply fluctuations for raw materials and services, are managed on a group wide basis and as such are discussed in the Group annual report for the 52 weeks ended 1 August 2015.

Future prospects

The directors consider the future prospects of the Company to be satisfactory and expect the current level of activity to continue in the foreseeable future.

By order of the Board



S P Leadbeater

Director

29 February 2016

2 SISTERS RED MEAT LIMITED

DIRECTORS' REPORT (continued)

The directors present the annual report and the audited financial statements for the 52 weeks ended 1 August 2015.

Directors

The directors who served during the 52 week period ended 1 August 2015 and up to the date of signing the financial statements are those listed on page 1.

Directors' indemnities

The Company made qualifying third party indemnity provisions for the benefit of its directors during the year which remain in force at the date of this report.

Going concern

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

Further details regarding the adoption of the going concern basis can be found in note 1.

Financial risk management

The financial risks faced by the Company and the way these are managed are addressed within the Strategic Report.

Dividends

No interim dividend was paid in the period (2014: £nil). The directors do not recommend the payment of a final dividend (2014: £nil).

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damages that might be caused by the Company's activities. The Company operates in accordance with Group policies, which are described in the Group's annual report, which does not form part of this report.

Employees

Details of the number of employees and related costs can be found in note 6.

The Company is committed to equality of opportunity amongst its employees. Recruitment, pay and conditions, training and career development policies are based solely on ability, without regard to gender, race, age, disability, marital status or religion.

The Company uses a variety of methods to enable all its employees to understand the performance of the Group and of their own operating company. These include briefing groups, meetings with employee representatives and company newspapers. Employees are consulted on a wide range of issues affecting their current and future interests, and particularly on changes affecting their company.

In the event of members of staff becoming disabled, every effort is made to ensure their employment with the Company continues and appropriate training is arranged. It is the policy of the Group that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

2 SISTERS RED MEAT LIMITED

DIRECTORS' REPORT (continued)

Auditor

In the case of each of the persons who are directors of the Company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director 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.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board



S P Leadbeater

Director

29 February 2016

2 SISTERS RED MEAT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 2 SISTERS RED MEAT LIMITED

We have audited the financial statements of 2 Sisters Red Meat Limited for the 52 week period ended 1 August 2015 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 22. 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 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 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 1 August 2015 and of its profit for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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.



Matthew Hughes BSc (Hons) ACA for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, UK
Date: 29 Feb 2016

2 SISTERS RED MEAT LIMITED

PROFIT AND LOSS ACCOUNT

For the 52 weeks ended 1 August 2015

	Note	52 weeks ended 1 August 2015 £'000	52 weeks ended 1 August 2015 £'000	53 weeks ended 2 August 2014 £'000	53 weeks ended 2 August 2014 £'000
Turnover	2		493,637		495,777
Cost of sales			(446,233)		(457,560)
GROSS PROFIT			47,404		38,217
Distribution costs			(9,272)		(9,258)
Administrative expenses					
- before exceptional items			(26,228)		(26,937)
- exceptional items	4		(148)		(1,148)
			(26,376)		(28,085)
OPERATING PROFIT:					
- before exceptional items			11,904		2,022
- exceptional items	4		(148)		(1,148)
OPERATING PROFIT:	3		11,756		874
Interest payable and similar charges	7		(1,406)		(2,280)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			10,350		(1,406)
Tax on profit / (loss) on ordinary activities	8		21		314
PROFIT / (LOSS) FOR THE FINANCIAL PERIOD	17		10,371		(1,092)

All of the above results derive from continuing operations.

There are no recognised gains or losses in either period other than the profit for that period. Accordingly no statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial period stated above and their historical cost equivalents.

2 SISTERS RED MEAT LIMITED

BALANCE SHEET

As at 1 August 2015

	Note	1 August 2015 £'000	2 August 2014 £'000
FIXED ASSETS			
Goodwill	9	3,899	4,122
Tangible assets	10	6,727	7,725
		10,626	11,847
CURRENT ASSETS			
Stock	11	30,750	30,868
Deferred tax asset,	12	4,139	1,634
Debtors due within one year	13	37,233	31,772
Cash at bank and in hand		122	1,101
		72,244	65,375
CREDITORS: amounts falling due within one year	14	(73,465)	(78,422)
NET CURRENT LIABILITIES		(1,221)	(13,047)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,405	(1,200)
CREDITORS: amounts falling due after more than one year	15	(477)	(243)
NET ASSETS / (LIABILITIES)		8,928	(1,443)
CAPITAL AND RESERVES			
Called up share capital	16	-	-
Profit and loss account	17	8,928	(1,443)
SHAREHOLDERS' FUNDS / (DEFICIT)	18	8,928	(1,443)

These financial statements of 2 Sisters Red Meat Limited (registered no. SC440783) were approved by the Board of Directors and authorised for issue on 29 February 2016.

Signed on behalf of the Board of Directors


S P Leadbeater

Director

2 SISTERS RED MEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 1 August 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain land and buildings and in accordance with applicable UK law and accounting standards.

A summary of the key accounting policies is set out below. These have been applied consistently in the current and prior periods.

Basis of preparation

The Company is in a net assets position. Working capital and short term cash flow requirements are managed through a combination of retained earnings and financial support from the intermediate parent company. The intermediate parent company, Boparan Holdings Limited, has confirmed it will provide sufficient financial support, should it be required, to enable the Company to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of the financial statements, as long as the Company remains within the Group. The going concern of the Company is therefore dependent on the going concern of the Group.

Long term funding for the Group is provided primarily through Senior Loan Notes. The total bond value as at 1 August 2015 per the Group financial statements was £808.3m net of fees (2014: £809.4m).

In determining whether the Company's financial statements can be prepared on a going concern basis, the directors considered the Company's and Group's business activities, together with the factors likely to affect its future development, performance and position. The review included the financial position of the Group, its cash flows, liquidity position, borrowing facilities and covenants. The key factors considered by the directors were as follows:

- consideration of detailed forecasts prepared for the 12 month period from the date of approval of the financial statements and the application of sensitivities to those forecasts;
- the implications of the challenging economic environment and future uncertainties on the Group's revenues and profits and its ability to meet financial covenants;
- the impact of the competitive environment within which the Group's businesses operate;
- the potential actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected;
- the Group has access to undrawn overdraft facilities and a committed bank facility to meet working capital requirements.

As at the date of this annual report, the directors have a reasonable expectation that the Company have adequate resources to continue in business for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. Accordingly, the financial statements for the 52 weeks ended 1 August 2015 have been prepared on the going concern basis.

Cash flow statement

The Company is exempt from the requirement of FRS 1 to present a cash flow statement since it is a wholly owned subsidiary undertaking of Boparan Holdings Limited, in whose financial statements a cash flow statement is presented.

2 SISTERS RED MEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the 52 week period ended 1 August 2015

1. ACCOUNTING POLICIES (continued)

Turnover

Turnover is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, Value Added Tax (VAT) and other sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed, and to the extent that sales are invoiced in advance of delivery, income is deferred.

Fixed assets

Fixed assets are valued at cost or valuation less accumulated depreciation and less any provision for impairment.

Fixed assets are written off in equal annual instalments over their expected useful lives as follows:

Plant and equipment	5-15 years
Motor vehicles	4-10 years

No depreciation is provided on freehold land.

Revaluation of properties

The Company has taken advantage of the transitional provisions of FRS15 'Tangible Fixed Assets' and retained the book amounts of certain freehold properties which were revalued prior to the implementation of that standard.

Investments

Investments are valued at cost less any provision for impairment where applicable.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Intangible fixed assets – Goodwill

Goodwill arising on acquisition, representing the difference between the cost and the fair value of the net assets acquired in a business combination is capitalised in the period of acquisition and written off over its useful life which is taken as twenty years. Negative goodwill is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Provision is made for impairment where appropriate.

Impairment

Assets are reviewed for impairment at each balance sheet date to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

2 SISTERS RED MEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the 52 week period ended 1 August 2015**

1. ACCOUNTING POLICIES (continued)

Stock

Stock is valued at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred bringing the stocks to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow moving or defective stock where appropriate.

Government grants

Government grants in respect of capital expenditure are credited to deferred income and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to the profit and loss account so as to match them with the expenditure to which they relate.

Taxation

Current 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.

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 Company'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 periods different from those in which they are recognised in the financial statements.

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

Pensions

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2 SISTERS RED MEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the 52 week period ended 1 August 2015

2. TURNOVER

Turnover consists of sales to third parties net of trade discounts and excluding VAT and sales related taxes.

An analysis of the Company's turnover by geographical market is set out below.

	52 weeks ended 1 August 2015 £'000	53 weeks ended 2 August 2014 £'000
United Kingdom	459,960	461,493
Rest of Europe	32,934	33,922
Worldwide	743	362
	493,637	495,777

3. OPERATING PROFIT / (LOSS)

Operating profit / (loss) is stated after charging:

	52 weeks ended 1 August 2015 £'000	53 weeks ended 2 August 2014 £'000
Amortisation of goodwill	223	229
Depreciation of tangible fixed assets	2,054	2,314
Audit fees - fees payable to the Company's auditor for the audit of the Company's annual financial statements	40	40
Operating lease rentals - land and buildings	2,106	2,405
- plant and machinery	490	365
Exceptional items	148	1,148
Research and development expenditure	-	411
Government grants	(118)	(125)

2 SISTERS RED MEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the 52 week period ended 1 August 2015

4. EXCEPTIONAL ITEMS

During the current period, the Company recognised exceptional items amounting to £148,000 as a result of restructuring costs.

The prior period exceptional costs of £1,148,000 related primarily to the associated costs of the Company's integration to the Group.

The tax effect of the exceptional items is a corporation tax credit of £31,000 (2014: £229,000).

5. EMOLUMENTS OF DIRECTORS

The directors are remunerated by other group companies. The directors received combined emoluments of £2,377,000 (2014: £1,198,000). It is not practicable to ascertain what proportion of these emoluments relate to the Company. The highest paid director received total emoluments of £1,701,000 (2014: £628,000).

No pension contributions were made on behalf of the highest paid director during the period (2014: £nil).

The Group made contributions of £3,000 (2014: £22,000) in respect of money purchase benefits for one director (2014: one directors).

6. STAFF COSTS

Average weekly number of employees:

	52 weeks ended 1 August 2015 No	Restated 53 weeks ended 2 August 2014 No
Production	1,583	1,691
Administration and selling	317	310
	1,900	2,001

Staff costs:

	52 weeks ended 1 August 2015 £'000	Restated 53 weeks ended 2 August 2014 £'000
Wages and salaries	41,493	40,873
Social security costs	3,513	3,480
Pension costs	431	449
	45,437	44,802

Redundancy costs of £148,000 (2014: £nil) are included within the disclosure above.

Prior year comparatives have been restated for the correction of an error in the prior year disclosure.

2 SISTERS RED MEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the 52 week period ended 1 August 2015

7. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 1 August 2015 £'000	53 weeks ended 2 August 2014 £'000
Interest on group loans and overdrafts	1,406	2,280
	1,406	2,280

8. TAXATION ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	52 weeks ended 1 August 2015 £'000	53 weeks ended 2 August 2014 £'000
Corporation tax		
Corporation tax at 20.67% (2014: 22.33%)	(2,681)	(254)
Adjustments in respect of prior periods	197	(393)
Total corporation tax charge	(2,484)	(647)
Deferred taxation (note 12)		
Net origination of timing differences	424	622
Adjustments in respect of prior periods	2,081	339
Total deferred tax credit	2,505	961
Total tax credit on profit / (loss) on ordinary activities	21	314

The corporation tax credit is different to the standard UK corporation tax rate of 20.67% (2014: 22.33%). The differences are analysed below:

	52 weeks ended 1 August 2015 £'000	53 weeks ended 2 August 2014 £'000
Profit / (loss) on ordinary activities before taxation	10,350	(1,406)
Taxation on profit on ordinary activities at the standard UK Corporation tax rate of 20.67% (2014: 22.33%)	(2,139)	314
Factors affecting the charge:		
Disallowable expenditure	28	10
Other timing differences	-	117
Adjustments in respect of prior periods	197	(393)
Timing differences – Accelerated Capital Allowances	(570)	(695)
Corporation tax charge for the period	(2,484)	(647)

The Finance Act which provides for a reduction in the main rate of corporation tax to 20% effective from 1 April 2015 was substantively enacted on 2 July 2013.

2 SISTERS RED MEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the 52 week period ended 1 August 2015

9. INTANGIBLE FIXED ASSETS - GOODWILL

	Total £'000
Cost	
At 2 August 2014 and 1 August 2015	4,434
Accumulated amortisation	
At 2 August 2014	312
Charge for the period	223
At 1 Aug 2015	535
Net book value	
At 1 Aug 2015	3,899
At 2 Aug 2014	4,122

10. TANGIBLE FIXED ASSETS

	Plant & Machinery and Vehicles £'000
Cost	
At 2 Aug 2014	10,882
Additions	1,056
Disposals	(436)
At 1 Aug 2015	11,502
Accumulated depreciation	
At 2 Aug 2014	3,157
Charge for the period	2,054
Disposals	(436)
At 1 Aug 2015	4,775
Net book value	
At 1 Aug 2015	6,727
At 2 Aug 2014	7,725

11. STOCK

	1 August 2015 £'000	2 August 2014 £'000
Stock and work in progress	25,695	26,539
Packaging and consumables	5,055	4,329
	30,750	30,868

In the opinion of the directors the carrying value of stock is not materially different to the replacement cost.

2 SISTERS RED MEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the 52 week period ended 1 August 2015

12. DEFERRED TAXATION

	1 August 2015 £'000	2 August 2014 £'000
Asset at start of period	1,634	673
Current period credit to the profit and loss account	424	622
Prior period credit to the profit and loss account	2,081	339
Asset at end of period	4,139	1,634

Deferred tax assets are analysed as follows:

	1 August 2015 £'000	2 August 2014 £'000
Accelerated capital allowances	4,111	1,623
Short term timing differences	28	11
Total deferred tax asset	4,139	1,634

As at 1 August 2015 the Company had no unrecognised deferred tax (2014: £nil).

13. DEBTORS

	1 August 2015 £'000	2 August 2014 £'000
Trade debtors	24,455	21,231
Amounts owed by group undertakings	9,440	6,354
Other debtors	1,971	2,968
Prepayments and accrued income	1,367	1,219
	37,233	31,772

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1 August 2015 £'000	2 August 2014 £'000
Trade creditors	29,333	21,568
Amounts owed to group undertakings	34,934	29,112
Other taxation and social security	1,141	1,277
Accruals and deferred income	5,266	25,830
Government grants	113	465
Corporation tax	2,678	170
	73,465	78,422

2 SISTERS RED MEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the 52 week period ended 1 August 2015

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1 August 2015 £'000	2 August 2014 £'000
Government grant	477	243
	477	243

16. CALLED UP SHARE CAPITAL

	1 August 2015 £'000	2 August 2014 £'000
Authorised		
1 Ordinary share of £1 each	-	-
Called up, allotted and fully paid		
1 Ordinary share of £1 each	-	-

17. PROFIT AND LOSS ACCOUNT

	1 August 2015 £'000	2 August 2014 £'000
At start of period	(1,443)	(351)
Profit / (loss) for the financial period	10,371	(1,092)
At end of period	8,928	(1,443)

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS / (DEFICIT)

	1 August 2015 £'000	2 August 2014 £'000
Profit / (loss) for the financial period	10,371	(1,092)
Opening shareholders' deficit	(1,443)	(351)
Closing shareholders' funds / (deficit)	8,928	(1,443)

19. PENSION SCHEME

Defined contribution scheme

The Company participates in the Group's defined contribution scheme for qualifying employees. The total cost charged in the 52 week period ended 1 August 2015 to the profit and loss account of £431,000 (2014: £449,000) represents contributions payable to these by the company at rates specified in the rules of the plans. At 1 August 2015 contributions of £50,000 (2014: £37,000) due in respect of the current reporting period had not been paid over to the scheme.

2 SISTERS RED MEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the 52 week period ended 1 August 2015

20. FINANCIAL COMMITMENTS

Capital commitments

There were capital commitments of £nil at 1 August 2015 (2014: £nil) provided for at the period end and £nil (2014: £459,000) capital commitments contracted for but not provided for.

Operating lease commitments

The payments which the Company is committed to make in the next period under operating leases are as follows:

	1 August 2015 £'000	2 August 2014 £'000
Land and building leases expiring		
- Within two to five years	2,106	2,106
	2,106	2,106
Plant and machinery leases expiring		
- Within one year	86	33
- Within two to five years	181	289
	267	322

21. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under FRS 8, as a wholly owned subsidiary of Boparan Holdings Limited, not to disclose related party transactions with other wholly owned members of the Group.

The Company incurred rental charges and associated service charges in the 52 week period ended 1 August 2015 of £2,277,000 (2014: £nil) from Amber Real Estates Investments Limited (AREIL), a related party by virtue of common ownership. At 1 August 2015 the Company made additional purchases of £144,000 (2014: £nil) from the same related party. At the period end the total creditor outstanding was £582,000 (2014: £nil).

In the 53 weeks to 2 August 2014, the Company incurred rental charges of £2,411,000 from Wales and West England Limited, a related party by virtue of common ownership. At 2 August 2014 the Company made sales to the same related party of £331,000. At the period end, the Company had amounts receivable due from Wales and West England Limited of £331,000 and amounts payable of £81,000.

At 1 August 2015 the Company had an outstanding debtor of £nil (2014: £140,000) with Holmes Hall Limited, a related party by virtue of common ownership.

2 SISTERS RED MEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the 52 week period ended 1 August 2015

22. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company is a wholly owned subsidiary of Boparan Holdings Limited, a company registered in England and Wales. The parent company of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Boparan Holdings Limited. The parent company of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Boparan Holdco Limited, registered in England and Wales. As at 1 August 2015, Boparan Holdco Limited was also the Company's ultimate parent undertaking. Copies of the consolidated financial statements can be obtained from the Company's registered office.

R S Boparan and B K Boparan are the ultimate controlling parties.