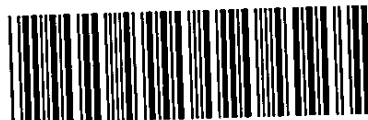


Castle MacLellan Foods Limited
Annual report and financial statements
for the year ended 31 December 2013

Registered number SC077607

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Castle MacLellan Foods Limited
Annual report and financial statements
for the year ended 31 December 2013
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Castle MacLellan Foods Limited

Directors and advisers

Directors

P R Lewney Managing director

E Volden Chairman

Company secretary

L Hayes

Registered office

Riverside

Dee Walk

Kirkcudbright

Dumfries and Galloway

DG6 4DR

Bankers

DNB

20 St Dunstan's Hill

London

EC3R 8HY

Solicitors

Muckle LLP

Time Central

32 Gallowgate

Newcastle upon Tyne

NE1 4BF

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

89 Sandyford Road

Newcastle upon Tyne

NE1 8HW

Castle MacLellan Foods Limited

Strategic report for the year ended 31 December 2013

The directors present their strategic report on the company for the year ended 31 December 2013.

Principal activities and business review

The Kavli Trust (Kavlifondet) is the sole owner of Kavli Holding A/S which runs the commercial operations of the Scandinavian based Kavli food group. The objective of Kavli Holding A/S is to provide secure, long-term funding to the Kavli Trust so that it can continue to provide financial support to good causes. A proportion of the Kavli food group's profits are reinvested to strengthen and develop the group's operations, while the remainder is passed to the Kavli Trust to make charitable donations in line with its priorities and commitments, the key beneficiaries being humanitarian work and research as well as some cultural activities. All of the prior year profits after taxation of Castle MacLellan Foods Limited are transferred via Kavli UK Limited to Kavli Holding A/S for the ultimate benefit of the Kavli Trust.

On 30 July 2013, the issued share capital of Castle MacLellan Foods Limited was acquired by Kavli UK Limited from Primula Limited (formerly Kavli Limited).

Castle MacLellan Foods Limited is therefore a wholly owned subsidiary of Kavli UK Limited, which is itself a wholly owned subsidiary of Kavli Holding A/S. Both Castle MacLellan Foods Limited and Kavli UK Limited operate as part of the Kavli group's European division, headed by Kavli Holding A/S (the group).

The principal activities of the company are the manufacture and sale of pâté and other food products to the retail food and food service industries in the United Kingdom and Europe. There have not been any significant changes in the company's principal activities in the year under review. The company has, however, commenced work on an extension to the factory which, over time, will allow the company to double the size of its operations. The directors are not aware, at the date of this report, of any other major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 9, the company's sales have increased by 6.4% against the prior year and the profit before tax has increased from £556,482 in 2012 to £668,449 in 2013. This is due primarily to sales growth and the removal of less profitable products from the range.

The balance sheet on page 10 of the financial statements shows that the company's financial position at the year end is, in net asset terms, better than the prior year. Details of amounts owed to its parent company are shown in note 10.

Castle MacLellan Foods Limited

Strategic report for the year ended 31 December 2013 (continued)

Key performance indicators (KPIs)

The company manages its operations using key performance indicators. As the overriding objective of the business is to provide secure, long-term funding to the Kavli Trust, profitability and return on the Kavli Trust's income-generating assets is of paramount importance. The principal financial key performance indicators monitored to ensure achievement of this objective include:

Key performance

Indicator	Definition	2013	2012
Profitability	Operating profit in absolute terms and Operating profit margin	£691,465 6.8%	£567,786 5.9%

Profitability has improved through sales growth and the continuing removal of less profitable products from the company's portfolio.

Return on average capital employed	Operating profit divided by the average of the opening and closing Total assets less current liabilities	64.5%	52.2%
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The improvement in Operating profit coupled with the focus on maximising value from its assets has helped the company to improve the Return on average capital employed.

Average monthly working capital	Average monthly short term assets less average short term liabilities (excluding cash, overdrafts & group balances) as percentage of turnover.	-3.3%	-3.2%
---------------------------------	--	-------	-------

The average monthly working capital position continues to be negative and is at an improved level compared to prior years.

Principal risks and uncertainties

As with any business, the company faces a number of risks and uncertainties in the course of its day to day operations. The company regularly reviews its principal risks and prioritises them according to the potential impact and likelihood to adversely affect the company. This allows the management team to design appropriate responses and to prioritise actions to the most severe risks facing the company. The principal risks affecting the company include:

Competitive pressure in the United Kingdom is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing value-added services to its customers, having fast response times not only in supplying products but in handling all customer queries, product development and by maintaining strong relationships with its customers.

Raw material availability/pricing is a risk in respect of key raw materials. The company monitors raw material sources on a national and global basis for key inputs and negotiates forward purchase contracts where appropriate with key suppliers.

Operational failure as a result of a major disaster is an inherent risk for the company. This could cause significant disruption to the business and so the company has in place a formal business continuity plan that is regularly reviewed and updated.

Castle MacLellan Foods Limited

Strategic report for the year ended 31 December 2013 (continued)

Principal risks and uncertainties (continued)

Legislative and regulatory compliance is critical for a food manufacturing business. The company monitors current and forthcoming legislation regularly to ensure ongoing compliance.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, currency risk, credit risk, liquidity risk and interest rate cash flow risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the cost of managing exposure to commodity price risk exceeds any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Currency risk

The company purchases some of its raw material inputs and services from European companies. It is therefore exposed to the movement in the Euro to Pound exchange rate. The Kavli Holding group's treasury function takes out contracts to manage this risk at a group level.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The company does not utilise debt finance, relying on its own controls to manage credit risk. The company also recognises it is exposed to the risk of financial institutions becoming insolvent. To reduce this risk deposits are only made with financial institutions which have been credit scored and whose global rating is appropriate.

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances, all of which earn interest at a variable rate. The company has a policy of maintaining low levels of debt to reduce the volatility of future interest cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has a loan and a short term overdraft from its parent which attract interest charges at margins of 1.40% and 0.5% above LIBOR, respectively. It is therefore exposed to interest rate movements.

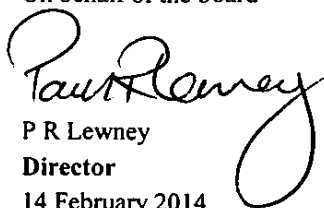
Castle MacLellan Foods Limited

Strategic report for the year ended 31 December 2013 (continued)

Environment

The Kavli Holding group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The group operates in accordance with Kavli Holding group policies which are described in the Kavli Holding group's annual report which does not form part of this report. Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

On behalf of the board

A handwritten signature in black ink, appearing to read 'Paul Lewney', is written over the printed name and title.

P R Lewney

Director

14 February 2014

Castle MacLellan Foods Limited

Directors' report for the year ended 31 December 2013

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2013.

Company number

Registered number SC077607

Branches outside the UK

There are no branches outside the UK.

Dividends

A final dividend of 283.09p per share (2012: 236.46p per share), amounting to £410,485 was paid during the year ended 31 December 2013 (2012: £342,867).

Research and development

The company continues to invest in research and development in its products and processes. This has resulted in a number of updates to existing products and processes as well as the launch of new products. The directors regard research and development investment as necessary for continuing success in the medium to long term future.

Future developments

The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year. The company has, however, commenced work on an extension to the factory which, over time, will allow the company to double the size of its operations.

Post balance sheet events

There are no significant events since the balance sheet date.

Financial risk management

Details of the company's financial risk management objectives and its exposure to related risks are disclosed on page 4 of the Strategic report.

Directors

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

P R Lewney

E Volden

Castle MacLellan Foods Limited

Directors' report for the year ended 31 December 2013 (continued)

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report".

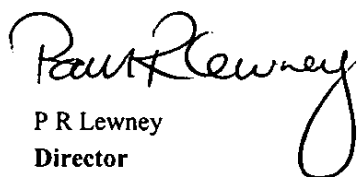
The directors have taken all the steps they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

Independent auditors

The auditors, PwC LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting.

On behalf of the board



P R Lewney

Director

14 February 2014

Castle MacLellan Foods Limited

Independent auditors' report to the members of Castle MacLellan Foods Limited

We have audited the financial statements of Castle MacLellan Foods Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 7 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with chapter 3 of part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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. 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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year 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.



Michael Jeffrey (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
14 February 2014

Castle MacLellan Foods Limited

Profit and loss account for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	1	10,242,506	9,627,606
Net operating expenses	2	(9,551,041)	(9,059,820)
Operating profit		691,465	567,786
Interest payable and similar charges	4	(23,016)	(11,304)
Profit on ordinary activities before taxation		668,449	556,482
Tax on profit on ordinary activities	5	(166,274)	(145,997)
Profit for the financial year	16	502,175	410,485

All of the operations of the company are continuing.

There are no recognised gains and losses other than those included in the results above for the current financial year and the preceding financial year and therefore no separate statement of total recognised gains and losses has been prepared.

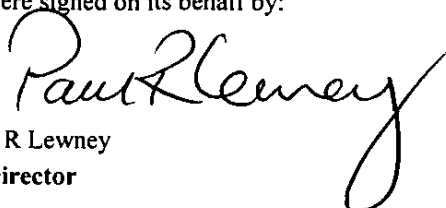
There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Castle MacLellan Foods Limited

Balance sheet as at 31 December 2013

	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	7		1,675,043		1,636,035
Current assets					
Stocks	8	733,460		668,623	
Debtors	9	3,147,428		2,939,897	
Cash at bank and in hand		432		6,897	
		3,881,320		3,615,417	
Creditors: amounts falling due within one year	10	(4,461,272)		(4,201,718)	
Net current liabilities			(579,952)		(586,301)
Total assets less current liabilities			1,095,091		1,049,734
Creditors: amounts falling due after more than one year	11		(137,823)		(184,156)
Net assets			957,268		865,578
Capital and reserves					
Called up share capital	15		145,000		145,000
Capital redemption reserve	16		120,000		120,000
Profit and loss account	16		692,268		600,578
Total shareholders' funds	17		957,268		865,578

The financial statements on pages 9 to 22 were approved by the board of directors on 14 February 2014 and were signed on its behalf by:


P R Lewney
Director

Castle MacLellan Foods Limited

Statement of accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies adopted are described below and have been applied consistently in the current and prior year.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard 1 (revised 1996) "Cash flow statements" from the requirement to produce a cash flow statement due to the results of the company being included in the consolidated financial statements of the ultimate parent undertaking, Kavli Holding A/S.

Tangible fixed assets and depreciation

Tangible fixed assets are held at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight line basis, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold buildings	2.5%
Plant and machinery	10% - 33.33%
Motor vehicles	33.33%
Freehold land is not depreciated	

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value including any provision for obsolete or slow moving stock. Cost comprises the invoiced value of goods purchased plus direct labour and attributable overheads, where applicable and is determined on an average cost basis. Net realisable value is based upon estimated selling price in the normal course of business after allowing for disposal costs.

Foreign currencies/exchange

Monetary assets and liabilities arising in overseas currencies are converted into sterling at the exchange rate ruling on the transaction date. Payments are converted at the actual rates incurred. The resulting exchange differences are charged or credited to the profit and loss account in the period in which they arise. At the end of the financial year foreign currency monetary assets and liabilities are translated into sterling at the rate of exchange ruling at that date.

Turnover

Turnover, which excludes value added tax, represents amounts receivable for goods provided in the normal course of business, less returns. Turnover is recognised at the point at which goods are received by the customer.

Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the useful life of the related asset. Grants received in respect of specific projects are treated as deferred income and credited to the profit and loss account over the duration of the project.

Castle MacLellan Foods Limited

Statement of accounting policies (continued)

Pension costs

The company operates a defined contribution pension scheme for employees. Pension costs are charged to the profit and loss account in the year in which they are incurred.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Taxation

Current tax, including United Kingdom 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 balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax or a right to pay less tax at a future date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those which are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are measured at the average tax rates that are expected to apply and are on an undiscounted basis.

Research and development

Costs in respect of research and development activities are charged to the profit and loss account as they are incurred.

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2013

1 Turnover

All of the turnover derives from operations based in the United Kingdom and relates to the sale of food products. Turnover by destination has been split as follows:

	2013	2012
	£	£
United Kingdom	10,242,506	9,627,606

2 Net operating expenses

	2013	2012
	£	£
Change in stocks of finished goods and work in progress	(501)	(15,321)
Raw materials and consumables	4,702,668	4,515,875
Staff costs (note 3)	2,090,791	2,008,793
Depreciation charge for the year:		
Tangible fixed assets (note 7)	304,392	312,907
Amortisation of government grants (note 13)	(87,806)	(77,114)
Other operating charges	2,369,695	2,114,729
Hire of plant and machinery – operating leases	40,977	47,784
Hire of other assets – operating leases	12,753	13,639
Research and development costs	108,532	133,278
Auditors' remuneration:		
For the audit of the company's annual financial statements	8,240	7,200
For the provision of tax compliance services to the company	1,900	1,500
Profit on sale of tangible fixed assets	(600)	(3,450)
Net operating expenses	9,551,041	9,059,820

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

3 Information regarding directors and employees

The directors of Castle MacLellan Foods Limited are also directors of the parent company Kavli UK Limited and its subsidiaries. The directors received total emoluments of £250,096 (2012: £208,472) from Kavli UK Limited and its subsidiaries during the year, but it is not practical to allocate this between their services as executives of Castle MacLellan Foods Limited and their services as directors of Kavli UK Limited and its subsidiaries.

The average monthly number of persons (including executive directors) employed during the year was:

	2013	2012
	Number	Number
Production	92	90
Administration	6	5
	98	95

	2013	2012
	£	£
Staff costs during the year (including executive directors):		
Wages and salaries	1,865,556	1,790,187
Social security costs	154,983	153,908
Other pension costs (Note 14)	70,252	64,698
	2,090,791	2,008,793

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

4 Interest payable and similar charges

	2013	2012
	£	£
Bank interest payable	3,303	6,365
Interest payable to group companies	19,713	4,939
	23,016	11,304

5 Tax on profit on ordinary activities

	2013	2012
	£	£
Current tax:		
United Kingdom corporation tax on profits of the year	167,661	162,793
Adjustments in respect of prior years	(162)	-
Total current tax	167,499	162,793
Deferred tax:		
Origination and reversal of timing differences	(4,707)	(18,306)
Effect of change in tax rates	3,482	1,510
Total deferred tax (note 12)	(1,225)	(16,796)
Tax on profit on ordinary activities	166,274	145,997

The tax charge for the period differs from the standard rate of corporation tax in the United Kingdom of 23.25% (2012: 24.5%).

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

5 Tax on profit on ordinary activities (continued)

The differences are explained below:

	2013	2012
	£	£
Profit on ordinary activities before taxation	668,449	556,482
Tax on profit multiplied by the standard rate in the United Kingdom of 23.25% (2012: 24.5%)	155,414	136,338
Expenses not deductible for tax purposes	7,562	8,005
Capital allowances less than depreciation	879	17,134
Movement in short term timing differences	3,827	1,172
Effect of other tax credits	(21)	(18)
Adjustments in respect of prior years	(162)	162
Current tax charge for the year	167,499	162,793

Factors that may affect future tax charges

In the 2013 Budget on 20 March 2013, the UK Government announced its intention to reduce the UK corporation tax rate to 23% from 1 April 2013. Further reductions to the UK corporation tax rate have been announced which will reduce the UK corporation tax rate to 21% from 1 April 2014 and then to 20% from 1 April 2015.

Accordingly, the company's profits for this accounting period are taxed at an effective rate of 23.25% and will be taxed at 21% until 1 April 2014, at which point they will be taxed at 20% for the future. The deferred tax balance has been provided at 20%, as this is the tax rate at which deferred tax is expected to unwind.

There are no other factors expected to materially affect the tax charge in future years.

6 Dividends

	2013	2012
	£	£
Ordinary:		
Final dividend of 283.09p per share (2012: 236.46p per share)	410,485	342,867

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Assets in the course of construction	Total £
Cost					
At 1 January 2013	876,675	4,131,221	21,563	-	5,029,459
Additions	-	99,184	-	244,216	343,400
Disposals	-	(159,783)	-	-	(159,783)
At 31 December 2013	876,675	4,070,622	21,563	244,216	5,213,076
Accumulated depreciation					
At 1 January 2013	315,764	3,066,879	10,781	-	3,393,424
Charge for the year	20,758	276,446	7,188	-	304,392
Disposals	-	(159,783)	-	-	(159,783)
At 31 December 2013	336,522	3,183,542	17,969	-	3,538,033
Net book value					
At 31 December 2013	540,153	887,080	3,594	244,216	1,675,043
At 31 December 2012	560,911	1,064,342	10,782	-	1,636,035

8 Stocks

	2013 £	2012 £
Raw materials and consumables	384,898	367,663
Packaging	217,415	170,314
Work in progress	15,412	15,652
Finished goods and goods for resale	115,735	114,994
	733,460	668,623

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

9 Debtors

	2013	2012
	£	£
Trade debtors	2,447,834	2,374,234
Amounts owed by group undertakings	474,534	385,394
Other debtors	107,773	88,195
Deferred tax asset (note 12)	22,877	21,652
Prepayments	94,410	70,422
	3,147,428	2,939,897

10 Creditors: amounts falling due within one year

	2013	2012
	£	£
Bank overdraft	702,171	-
Trade creditors	779,773	744,113
Amounts owed to group undertakings	1,111,605	1,729,615
Corporation tax	94,746	87,252
Other taxation and social security	99,624	122,882
Accruals	1,627,020	1,468,312
Deferred income (note 13)	46,333	49,544
	4,461,272	4,201,718

All amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

11 Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Deferred income (note 13)	137,823	184,156

12 Provisions for liabilities

	£
Deferred taxation	
At 1 January 2013	(21,652)
Profit and loss account credit for the year	(1,225)
At 31 December 2013 (note 9)	(22,877)

	2013	2012
	£	£
Analysis of deferred tax balance		
Capital allowances in excess of depreciation	(3,080)	(2,672)
Short term timing differences	(19,797)	(18,980)
	(22,877)	(21,652)

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

13 Deferred income

	2013	2012
	£	£
Government grants		
At 1 January	233,700	292,694
Grants received in year	38,262	18,120
Amortisation in year	(87,806)	(77,114)
At 31 December	184,156	233,700
Within creditors amounts falling due within one year	46,333	49,544
Within creditors amounts falling due after more than one year	137,823	184,156
	184,156	233,700

If the company does not maintain approved headcount numbers, the company may be liable to repay certain government grants.

14 Pension schemes

The company operates a funded defined contribution pension scheme. Contributions charged in the profit and loss account in the year totalled £70,252 (2012: £64,698).

At 31 December 2013 an accrual of £151 (2012: £182) was included in the balance sheet in respect of pension payments.

15 Called up share capital

	2013	2012
	£	£
Authorised		
370,000 (2012: 370,000) ordinary shares of £1 each	370,000	370,000
Allotted and fully paid		
145,000 (2012: 145,000) ordinary shares of £1 each	145,000	145,000

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

16 Reserves

	Capital redemption reserve	Profit and loss account
	£	£
At 1 January 2013	120,000	600,578
Profit for the financial year	-	502,175
Dividend paid (note 6)	-	(410,485)
At 31 December 2013	120,000	692,268

The capital redemption reserve represents the nominal value of preference shares redeemed.

17 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit for the financial year	502,175	410,485
Dividend paid (note 6)	(410,485)	(342,867)
Net increase in shareholders' funds	91,690	67,618
Opening shareholders' funds	865,578	797,960
Closing shareholders' funds	957,268	865,578

18 Financial commitments

At 31 December the company had annual commitments under non cancellable operating leases, none of which related to land and buildings, as detailed below:

	2013	2012
	£	£
Expiring within one year	9,519	9,026
Expiring within two to five years	13,394	18,326
	22,913	27,352

Castle MacLellan Foods Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

19 Capital commitments

	2013	2012
	£	£
Capital expenditure contracted for but not provided in the financial statements	2,240	47,864

20 Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of Financial Reporting Standard 8 "Related party disclosures" on the grounds that it is a wholly owned subsidiary of a group headed by Kavli Holding A/S, whose consolidated financial statements are publicly available.

21 Ultimate and immediate parent companies

The company is a wholly owned subsidiary of Kavli UK Limited, a company registered in England. The ultimate parent company is Kavli Holding A/S, a company incorporated in Norway.

The parent undertaking of the largest group which includes the company, and for which consolidated financial statements are prepared, is Kavli Holding A/S. The parent undertaking of the smallest such group is Kavli UK Limited.

Copies of the financial statements for this group can be obtained from:

Kavli Holding A/S
Postboks 7360
5020 Bergen
Norway

The ultimate controlling party of Kavli Holding A/S is the Kavli Trust (Kavlifondet), formerly known as O Kavli og Knut Kavli's Almennyttige Fond, a charitable foundation established in Norway.